

Workplace gazette

An Industrial Relations
Quarterly

**Spring
2000**

Vol. 3, No. 1

- **Collective Bargaining
Forecast – 2000**
- **Organization in
Working Time**
- **New Compensation
Practices**
- **Effects of the Act
Respecting Prescription
Drug Insurance on
the Management of
Employers' Group
Insurance Plans in
Québec**



Human Resources
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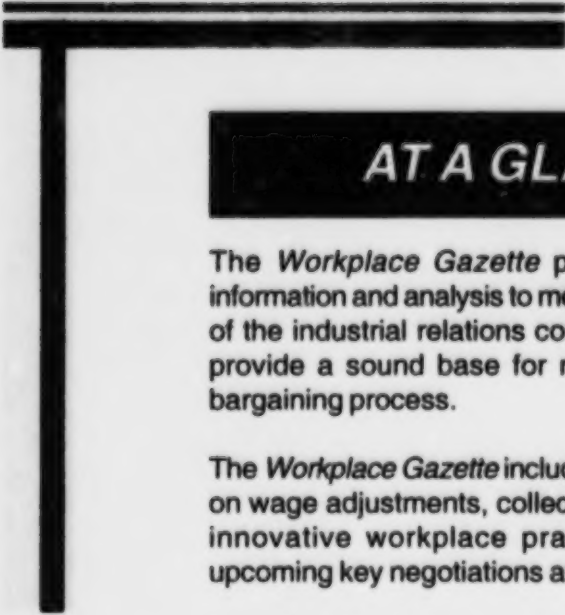
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AT A GLANCE

The *Workplace Gazette* presents a wide range of information and analysis to meet the ever-changing needs of the industrial relations community. Its purpose is to provide a sound base for research in support of the bargaining process.

The *Workplace Gazette* includes information and analysis on wage adjustments, collective agreement provisions, innovative workplace practices, work stoppages, upcoming key negotiations and other related topics.

In this first issue of the new millennium and in celebrating 100 years of labour, special articles, clips and reproductions will be used to reflect upon the challenges and opportunities faced by business, labour and governments.

Section 1

Section 1 provides 1999 annual and fourth quarter data on wage adjustments in major collective agreements, current and historical, by public and private sectors, by region, by jurisdiction and by major industry. Highlights from our annual Collective Bargaining Forecast are also presented.

Section 2

Section 2 offers information on major collective agreement expiries and reopeners for April, May and June 2000. Also included is an analysis of the organization of working time. Provisions dealing with job sharing, flexible hours and overtime, the right to refuse overtime and compensatory leave are compared over a 10-year period, 1988 to 1998.

Information on work stoppages includes a chronological perspective, an annual overview for 1999 and for the fourth quarter. Information on union membership in Canada is updated. Tables describe membership changes in the largest labour organizations, data on national and international unions and information on labour affiliations are provided.

Section 3

Section 3 summarizes innovative practices in the workplace resulting from collective bargaining and offers a number of case studies and articles. Case studies include a fragile partnership in the Kénogami paper mill and the work reorganization plan in the wastewater treatment plant in the Montréal Urban Community. New compensation practices were developed for the newly created Entourage company and a prior learning assessment approach is described by the Bristol Technical Training Project.

One article describes the effect of a public prescription drug insurance program on the management of employers' group insurance plans in Quebec. Highlights from the recently tabled 1999 Employment Equity Act Annual Report are provided and an article on trends in workplace innovations over the past five years provides examples of contract language from selected bargaining summaries.

Recent changes in *Canadian Labour Laws* focus on adopted bills, regulations and other statutory instruments.

Yesterday and Today describes initial labour-management committees established 50 years ago, threats and opportunities and conditions for success. Moving towards the present, it is interesting to note that labour-management committees exist in approximately half of collective agreements and, in conjunction with the workplace innovations article, it is possible to describe stages of cooperation within bargaining units.

MESSAGE FROM THE MINISTER



*The Honourable
Claudette Bradshaw,
Minister of Labour*

As this year marks the 100th anniversary of the Labour Program, it is fitting to look back and celebrate the developments and milestones that have shaped its course since the beginning. It is also a good time to think about where we are today and about our goals for the future. In all four issues this year, readers will be treated to some fascinating labour history.

The *Workplace Gazette* is a direct descendant of the *Labour Gazette*, the periodical that was created as a result of the *Conciliation Act* of 1900 — the same Act under which the government of Sir Wilfrid Laurier established the Department of Labour. The Department was created in response to the economic and social changes taking place in Canada at that time. Looking back, we can see how the face of labour relations has evolved over the last century, and how the Labour Program has evolved with it.

While many changes have occurred, certain core beliefs that directed federal labour policy in the Department's early years still serve as guiding principles for the Labour Program today. For example, conveying accurate and timely information is a necessary condition for productive labour relations. I know that our commitment to this principle is still much appreciated by our clients.

A second core belief, expressed by Canada's first Labour Minister, Mackenzie King, is that conciliation is preferable to compulsory arbitration in resolving labour-management disputes. Conciliation has been a hallmark of Canadian labour legislation ever since.

A third belief is that government has a definite role to play in the workplace. The Labour Program has always recognized that it has a right and a duty to establish appropriate ground rules and standards, and to work to maintain stability in Canadian industrial relations.

Changes in the workplace in recent years meant that the *Canada Labour Code*, the core of Canadian labour legislation, needed to be modernized. This process started with amendments to Part I of the *Code* governing industrial relations. These changes, which took effect in January 1999, led to improvements in the administration of the *Code* and to the collective bargaining process for federally-regulated industries.

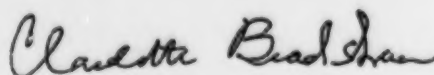
Last October, following lengthy and intensive discussions with our workplace partners, I introduced in Parliament important changes to Part II, the section of the *Code* that deals with occupational safety and health. These amendments provide increased protection for workers and promote greater cooperation on safety and health. Later this year, I hope to introduce amendments to Part III, to bring parental leave provisions in line with extended benefits under the Employment Insurance Program, as outlined in the Speech from the Throne. In today's world, balancing responsibilities at work and at home is difficult for many workers. It is in everyone's interests that Canadian workplaces help employees to achieve this balance. I am very happy that in all four issues this year, the *Workplace Gazette* will include articles on the family-friendly workplace.

Ongoing commitments of the Labour Program include active participation in North American Occupational Safety and Health Week and Fire Prevention Week. Both of these campaigns help to focus public attention on reducing the tragedies of injury and death caused by fire and workplace accidents.

On the international front, a key priority is to bring about Canadian ratification of the International Labour Organization Convention on the Elimination of the Worst Forms of Child Labour. The federal-provincial-territorial meeting of Labour ministers this past February reached agreement in principle to support Canadian ratification. As a result, Canada should be among the first countries in the world to ratify this Convention.

The Honourable Mackenzie King had expressed the hope that the *Conciliation Act* and the new department it created would be a positive force in the country. I believe his hope has been realized. The Labour Program has accomplished a great deal for Canadian workers in the federal jurisdiction, and for Canadian society as a whole. With clear objectives, dedicated, hard-working employees and a consensus approach to decision-making, we will continue to make important contributions well into the future.

I hope that in the years to come, the *Workplace Gazette* will continue to inform, enlighten, critique, and recognize the achievements and successes of the industrial relations community.



Claudette Bradshaw,
Minister of Labour

Labour Program – “Celebrating 100 Years of Working Together”

The Labour Program celebrates 100 years of service to Canadians in the year 2000. Throughout its history, the program has been dedicated to promoting and protecting the well being and rights of employers and workers.

For most of the last century, the Labour Program was an independent federal department known initially as the Department of Labour, and later as Labour Canada. In 1993, Labour Canada and parts of a number of other departments merged to form Human Resources Development Canada.

Created by the *Conciliation Act* of 1900, the Department of Labour gathered and disseminated various labour statistics through its flagship publication, the *Labour Gazette*. The department also helped workers, unions and employers settle labour disputes, and secured fair wages and better working conditions on public work sites. The first Deputy Minister and Minister of Labour was William Lyon Mackenzie King.

By the 1940s, the Department of Labour was influencing the lives of thousands of Canadians through its involvement in federal-provincial shared-cost programs for employment services, technical education, old age pensions and unemployment relief. In addition, the department was involved in combines investigation, vocational education, government annuity programs and fair wage laws on federal public works projects.

During World War II, the Department of Labour was responsible to “direct civilian labour supply in order to meet the requirements of war and essential services”. After the war, the department continued meeting its responsibilities for labour relations, employment, and workforce planning at the federal level.

In 1966, the Department of Manpower and Immigration was created and manpower planning and employment services, as well as the Unemployment Insurance Commission, were transferred from the Department of Labour to the new department.

While continuing to administer the *Canada Labour Code*, Part I (Industrial Relations), Part II (Occupational Safety and Health) and Part III

(Employment Standards), and the *Fair Wages and Hours of Labour Act*, the Department of Labour has responded to the ever changing fabric of Canadian society. Over the years, the Minister of Labour has become responsible for administering many other acts and regulations including the *Employment Equity Act*, the *Non-smokers' Health Act*, the *Government Employees Compensation Act*, the *Merchant Seamen Compensation Act*, the *Penitentiary Inmates Accident Compensation Regulations* and the *Status of the Artist Act*.

The department has been involved in many important areas throughout the years. Regarding women's issues, the Women's Bureau was created in 1954 and on the international front, the department has a long history of involvement with the International Labour Organization. In the 1990s, with the signing of the North American Agreement on Labour Cooperation, the Labour Program expanded its international efforts in support of the well being of workers. In 1998, the Minister of Labour attended the Inter-American Conference of Ministers of Labour, the first time that a Canadian Minister of Labour had ever attended.

As the 21st century dawns, the Labour Program continues its proud tradition of service to Canadians. At home we support our clients in their efforts to meet the challenges of globalization and the changing workplace, and with our international partners we continue to promote the rights and well being of all workers.

We've come a long way in 100 years and look forward to the challenges of the new millennium.

Major Milestones

- 1900** Department of Labour established under the *Conciliation Act*. William Lyon Mackenzie King named first Deputy Minister and first issue of *Labour Gazette* published in September.
- 1908** Under the *Government Annuities Act*, the Department of Labour administers plan to help individual Canadians provide for their old age.

- 1909** *Labour Department Act* creates separate Labour Portfolio. William Lyon Mackenzie King sworn in as first Minister of Labour.
- 1911** First issue of the *Directory of Labour Organizations in Canada*.
- 1918** Under the *Employment Services Co-ordination Act*, the first employment offices are established under the Department of Labour.
- 1919** International Labour Organization established and Canada is a founding member.
- 1930** *Fair Wages and Eight-Hour Day Act* called for fair wages and an eight-hour working day for workers in the federal jurisdiction. Later, eight-hour day also established for government employees.
- 1940** New Unemployment Insurance Commission comes under the direction of the Department of Labour.
- 1944** Passage of PC. 1003 (War-time Labour Relations Regulations) which imposed a legal obligation upon the employer and the employees' bargaining agent to negotiate with each other in good faith.
- 1948** *Industrial Relations and Disputes Investigation Act*. Collective bargaining rights firmly established in law. Workers protected against intimidation during union drives. Canada Labour Relations Board established.
- 1951** Responsibility for the *Government Employees Compensation Act* passes from the Minister of Transport to the Minister of Labour.
- 1953** Department of Labour becomes responsible for the administration of the *Merchant Seamen Compensation Act* which ensured that employers fairly compensated seamen that were injured during the course of their duties.
- 1954** Establishment of the Women's Bureau to promote and advance opportunities for women in the workforce.
- 1965** *Canada Labour (Standards) Code* establishes minimum standards for hours of work, wages, annual vacations with pay, and statutory holidays with pay for workers in the federal jurisdiction.
- 1966** Department of Manpower and Immigration formed. Employment-related programs and services move from the Department of Labour to the new department.
- 1966** *Canada Labour (Safety) Code* passed. Codifies laws and regulations regarding safety standards for workers in the federal jurisdiction. Also, first issue of the *Collective Bargaining Review* published in December.
- 1967** The *Industrial Relations and Disputes Investigation Act* was consolidated with other labour statutes as the *Canada Labour Code*.
- 1978** Canadian Centre for Occupational Health and Safety formed.
- 1986** Joint employer-employee safety and health committees in the workplace required under the *Canada Labour Code*. Employment Equity Act passed.
- 1994** North American Agreement on Labour Cooperation between Canada, the United States and Mexico comes into force. Commits countries to protecting high labour standards and effectively enforcing their own labour laws.
- 1997** Canada-Chile Agreement on Labour Cooperation comes into effect. First annual North American Occupational Safety and Health Week held.
- 1998** Part I (Industrial Relations) of the *Canada Labour Code* amended to improve collective bargaining process for federally regulated industries. Abroad, Federal Minister of Labour participates, for the first time, in the Inter-American Conference of Ministers of Labour.
- 1999** Reinstatement of fair wage schedules.

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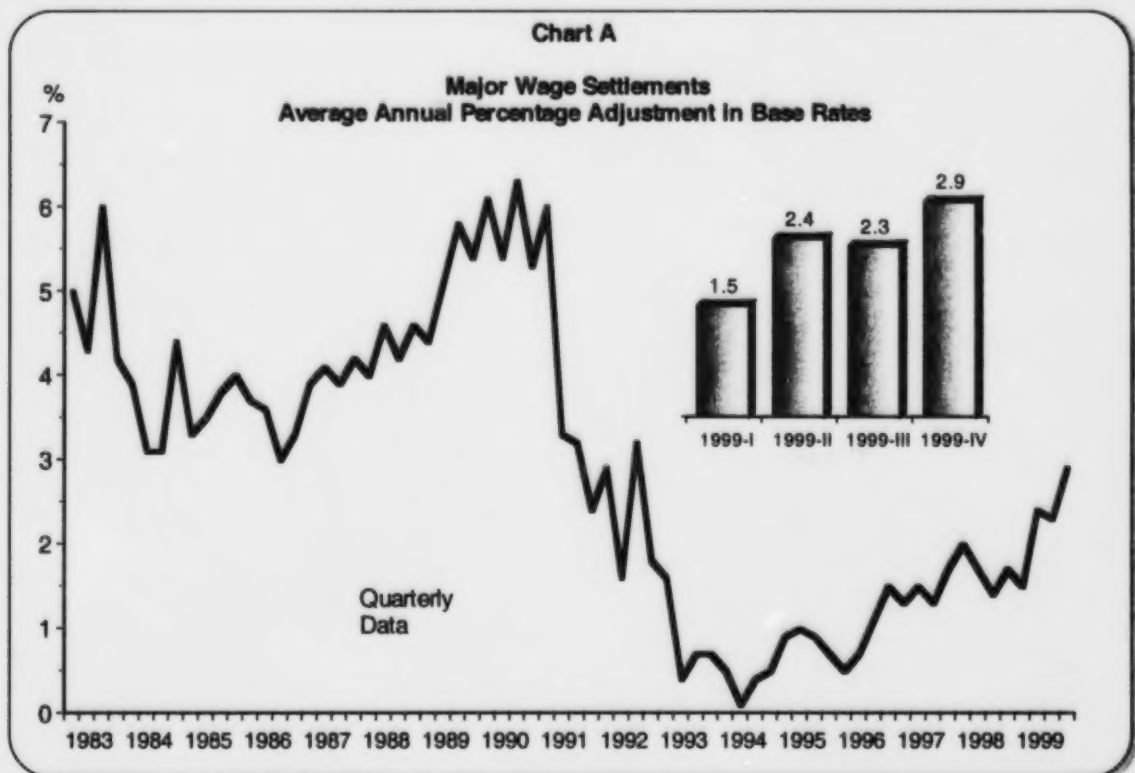
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SECTION 1

MAJOR WAGE SETTLEMENTS* – ANNUAL AND FOURTH QUARTER 1999

Annual Summary

- Annual base rate wage adjustments averaged 2.2 per cent, an increase from 1.6 per cent in 1998
- Average contract duration averaged 36.4 months in 1999; the longest in any year since the wage-settlements series commenced in 1978
- Public sector wage adjustments averaged 1.9 per cent, an increase from 1.6 per cent in 1998
- Private sector wage adjustments averaged 2.6 per cent, an increase from 1.8 per cent in 1998
- Two settlements in all settlements were subject to a roll back covering 0.3 per cent of all employees; 22 settlements were subject to a wage freeze covering 3.2 per cent of all employees
- Wage adjustments were highest in the Prairie Provinces averaging 3.1 per cent; wage adjustments were lowest in British Columbia averaging 0.8 per cent
- Quarterly average wage adjustments were as follows: first, 1.5 per cent; second, 2.4 per cent; third, 2.3 per cent and fourth, 2.9 per cent



Source: Workplace Information Directorate

- * Major settlements are those involving bargaining units of 500 or more employees. All wage rate adjustments over the term of these agreements, including those arising from cost-of-living clauses (COLA), are taken into account. The yield of such COLA clauses is estimated on an assumed 2.0 per cent annual increase in the Consumer Price Index.

Overview

Major collective bargaining settlements reached in the year 1999 provided base-rate wage adjustments averaging 2.2 per cent annually over the contract-term, an increase from the 1.6 per cent average for the year 1998.

The results for 1999 are based on a review of the 361 settlements reached during the year, and cover 797,630 employees. This represents the lowest number of settlements reached in any year since the wage-settlements series commenced in 1978, and the second-lowest employee coverage (after 1997's 695,390 employees in 381 agreements).

The average wage adjustment in 1999 was above the average in contracts they replaced. When the parties to these 1999 settlements last negotiated – with contract-duration averaging approximately 33 months – the resulting wage adjustments averaged 1.3 per cent, compared to the 2.2 per cent in their 1999 contracts.

The below-average coverage since the mid-nineteen-nineties is partly explained by the increase in contracts of longer duration in this period. Contract-duration averaged 36.4 months in 1999, the longest in any year since the wage-settlements series commenced in 1978 (when the average was 18.9 months), and twice the 18.2 months average for contracts signed in 1991. While longer-duration contracts have occurred in both sectors since 1995, private-sector settlements have been of longer average duration than those in the public sector throughout the nineteen-nineties.

Long-duration contracts were particularly evident in 1999 in the Primary, Manufacturing, Transportation, Communications and Other Utilities sectors, with average durations of 46.3, 40.5 and 41.4 months respectively.

Since troughing in 1994 at an average of 0.3 per cent, the overall size of wage adjustments has trended upwards (though unsteadily); however, the 2.2 per cent gain in 1999 remains well below the most recent annual peak of 5.6 per cent in 1990. Also, since 1994, only in 1998 and 1999, have average wage adjustments been above the year-over-year rise in the Consumer Price Index (CPI). For the year 1999, the CPI was 1.7 per cent above its level in 1998, compared to the 2.2 per cent average wage adjustment from settlements reached in 1999.

Distribution by Size of Wage Adjustments

The decline in the incidence of wage freezes and wage cuts since 1993 continued into 1999. In 1999, 27,690 employees in 24 settlements (3.5 per cent of all employees in the year's 354 settlements) were subject to wage freezes and rollbacks, compared to 82,800 employees in 50 settlements (9.1 per cent of all employees in 396 settlements) in 1998. In contrast, 926,700 employees in 237 settlements reached in 1993 were subject to wage freezes and wage cuts, constituting 65.6 per cent of all employees in the 518 settlements reached in that year. Since that year, the declining incidence of wage freezes and wage rollbacks continued as follows: 1994, 62.2 per cent of all employees; 1995, 24.8 per cent; 1996, 35.0 per cent; 1997, 18.8 per cent; 1998, 9.1 per cent and 1999, 3.5 per cent.

In the earlier period (1993-1996), the public sector accounted for a proportionately larger number of employees with wage freezes and wage cuts. In 1997 and 1998, that pattern was reversed, but returned in 1999, with 21,040 employees (4.3 per cent of public-sector employees in 17 of the 206 public-sector settlements in the year), subject to wage freezes or cuts. In the private sector, 6,650 employees (2.3 per cent of employees in 7 of the 148 private-sector settlements reached in the year) were subject to wage freezes and rollbacks.

In addition to a lesser proportion of employees with wage freezes and rollbacks, the 1999 distribution of wage-settlements shows a larger proportion of public-sector employees with wage increases at the lower end. Slightly over a half (53.8 per cent or 268,340) of all public-sector employees received wage increases in the under 2.0 per cent range, compared to slightly over one-third (37.6 per cent or 112,740 employees) in the private sector. For both sectors combined, 381,080 employees or 47.8 per cent of all employees received wage increases in the under 2.0 per cent range.

For 178,720 public-sector employees, 35.9 per cent of all employees in that sector in 1999 settlements, wage increases fell in the 2.0 to 3.9 per cent range, compared to 99,090 employees or 33.1 per cent of private-sector employees. For both sectors, 277,810 employees, 34.8 per cent of all employees in settlements reached in 1999, fell within this range.

Table 1
Distribution of Agreements and Employees
by Size of Wage Adjustments – 1999

Adjustment Range	Agreements		Employees	
	Number	Percentage	Number	Percentage
less than 0%	2	0.6	2,100	0.3
0%	22	6.2	25,590	3.2
>0.0% to 0.9%	32	9.0	101,970	12.8
1.0% to 1.9%	105	29.7	279,110	35.0
2.0% to 2.9%	113	31.9	190,230	23.8
3.0% to 3.9%	45	12.7	87,580	11.0
4.0% to 4.9%	24	6.8	89,200	11.2
5.0% to 5.9%	3	0.8	1,850	0.2
6.0% to 6.9%	5	1.4	16,100	2.0
7.0% and more	3	0.8	3,900	0.5
ALL LEVELS	354	100.0	797,630	100.0

Source: Workplace Information Directorate

At the upper end of the wage-gain scale, 80,840 private-sector employees or 26.9 per cent received wage increases of 4.0 per cent or more in 1999, compared to 30,210 public-sector employees or 6.0 per cent. Combined, 111,050 employees or 13.9 per cent of all employees received wage gains of 4.0 per cent or more in 1999.

Public and Private Sectors

Since 1991, average annual wage adjustments in the private sector have been above those in the public sector; (also, private-sector wage adjustments have been generally larger than the rate of CPI increases since the mid nineteen-nineties). In 1999, wage adjustments averaged 1.9 per cent for 498,310 employees in 206 settlements in the public sector; in the private sector wage adjustments averaged 2.6 per cent for 299,320 employees in 148 settlements. In the public sector, this represents an increase from 1.6 per cent in 1998, and in the private sector an increase from 1.8 per cent.

The following table provides a short-term perspective on wage gains from major collective bargaining settlements in major sectors, in relation to increases in the CPI; in three of the years since 1993 (1994, 1998 and 1999), wage gains have been above CPI increases.

Wage Adjustments by Region/Jurisdiction

On a regional/jurisdictional basis, average wage adjustments were largest in the Prairie Provinces with 143,290 employees receiving an average of 3.1 per cent: 122,130 public-sector employees at 2.9 per cent, and 21,110 in the private-sector at 3.9 per cent. Wage adjustments in the Prairie Provinces were led by settlements in Alberta for 61,100 employees at an average of 4.0 per cent, comprising 47,990 public-sector employees at 3.8 per cent, and 13,110 private-sector employees at 5.1 per cent. The Alberta public sector included 18,350 health-care employees (mostly nurses), with wage increases of 4.9 per cent; 9,550 Alberta private-sector construction employees gained increases averaging 6.0 per cent. In Saskatchewan, wage adjustments averaged 2.2 per cent for 44,430 employees; the vast majority (40,030) were public-sector employees at an average of 2.3 per cent, while for 4,400 private-sector employees, wage adjustments averaged 0.9 per cent. For 37,760 employees in Manitoba, wage adjustments averaged 2.5 per cent; 34,160 public-sector employees received an average wage gain of 2.5 per cent, and 3,600 private-sector employees, 3.1 per cent.

Table 2

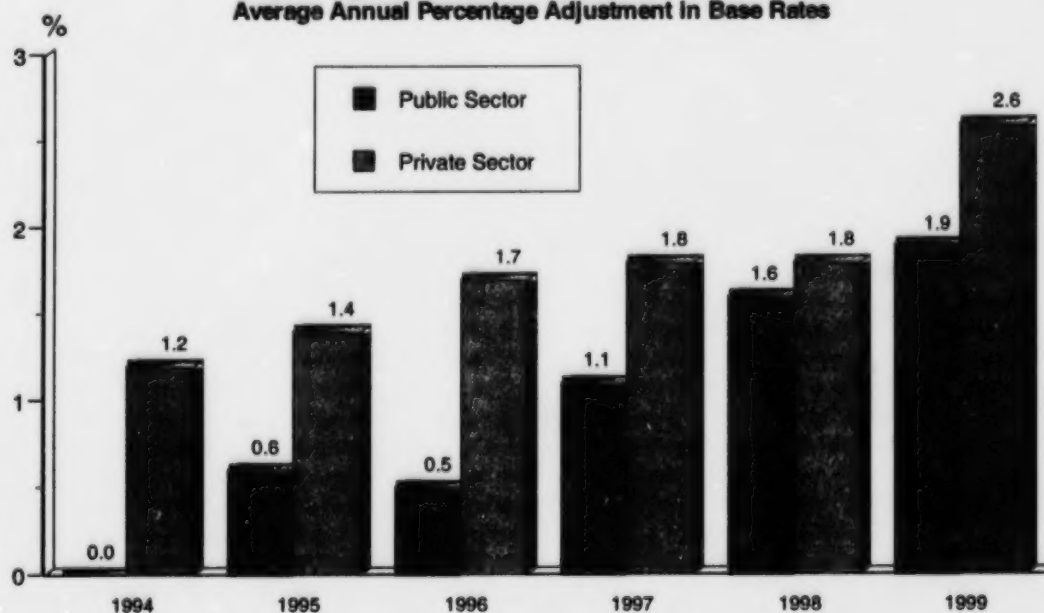
Wage Adjustments (%) and Increases in the Consumer Price Index (%)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
The Consumer Price Index	1.8	0.2	2.2	1.6	1.6	0.9	1.7
<u>Wage Adjustments</u>							
All Industries	0.7	0.3	0.9	0.9	1.5	1.6	2.2
Public Sector	0.6	0.0	0.6	0.5	1.1	1.6	1.9
Private Sector	0.8	1.2	1.4	1.7	1.8	1.8	2.6
Manufacturing Sector	1.8	2.0	2.2	2.8	2.3	1.4	3.2

Source: Workplace Information Directorate

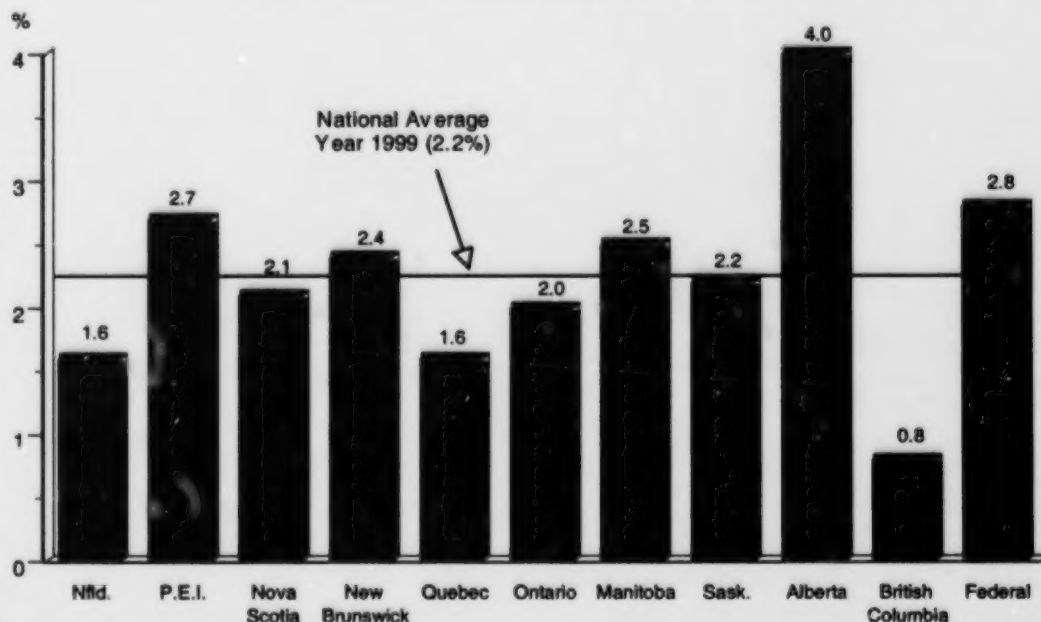
Chart B

**Major Wage Settlements – Public and Private Sectors
Average Annual Percentage Adjustment in Base Rates**



Source: Workplace Information Directorate

Chart C
Major Wage Settlements by Jurisdiction
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Wage adjustments averaged 2.8 per cent for approximately 143,930 employees in the Federal jurisdiction in 1999. For approximately 53,200 Federal Government employees (under the *Public Service Staff Relations Act*), wage gains averaged 2.9 per cent while approximately 90,700 employees under the *Canada Labour Code* received wage adjustments averaging 2.7 per cent.

The largest concentration of employees in 1999's settlements was in Ontario, with 303,690 employees receiving wage adjustments averaging 2.0 per cent. For 203,210 public-sector employees, wage adjustments averaged 1.5 per cent, while in the private sector, 100,480 employees received an average of 3.2 per cent. Within the private sector in Ontario, 71,640 manufacturing-sector employees gained wage increases averaging 3.6 per cent including 43,440 employees of the "Big Three" auto manufacturers with average gains of 4.5 per cent.

Wage adjustments for 19,390 employees in Atlantic Canada in 1999 averaged 2.0 per cent, with 10,720 public-sector employees receiving an average of

1.8 per cent and 8,670 private-sector employees, an average of 2.2 per cent. They were led by Prince Edward Island's 2,180 employees with wage gains averaging 2.7 per cent, followed by 4,260 employees in New Brunswick at 2.4 per cent, 3,270 employees in Nova Scotia at 2.1 per cent, and Newfoundland with the largest concentration of employees in Atlantic Canada, 9,680 with an average adjustment of 1.6 per cent.

In Quebec, 113,670 employees received wage adjustments averaging 1.6 per cent in 1999. For 87,910 private-sector employees in the province, wage adjustments averaged 1.5 per cent, while 25,760 public-sector employees received an average 1.7 per cent.

The lowest average adjustment from settlements reached in 1999 was in British Columbia, where 71,460 employees received wage adjustments averaging 0.8 per cent. For 57,120 public-sector employees, wage adjustments averaged 0.6 per cent (including 36,100 health-care employees at 0.7 per cent), while in the private sector, 14,340 employees received wage adjustments averaging 1.4 per cent.

Wage Adjustments by Industry

On an industry basis, the largest average wage adjustment in 1999 was in the Manufacturing sector, with 102,580 employees receiving an average gain of 3.2 per cent. The largest concentration of manufacturing employees was in Ontario, with 71,640 employees at 3.6 per cent (including the auto sector's 49,600 employees at 4.3 per cent).

In Transportation, Communications and Other Utilities, wage adjustments in 1999 averaged 2.4 per cent for 127,800 employees, the vast majority, 86,080, in the Federal jurisdiction with an average wage adjustment of 2.7 per cent.

For 143,920 employees in Public Administration, wage adjustments averaged 2.2 per cent. Of these, 75,130 were in Ontario with an average adjustment of 1.8 per cent, while 55,790 in the Federal jurisdiction received wage increases averaging 2.9 per cent.

In the Primary sector, a relatively few employees, 6,710, received wage adjustments averaging 2.1 per cent in settlements reached in 1999.

Wage adjustments in the Construction sector in 1999 averaged 2.0 per cent for 97,830 employees. For 68,910 of these employees in Quebec, the average gain was 1.3 per cent, while in Ontario, 16,770 employees received wage adjustments averaging 2.5 per cent.

In the Community, Business and Personal Services sector, 301,330 employees – the largest concentration in an industry group – received wage adjustments averaging 1.8 per cent in 1999. In Ontario, 122,730 of these employees (the majority in the education sector) received wage adjustments averaging 1.3 per cent. In the Prairie Provinces, 106,400 employees in the sector averaged a gain of 3.0 per cent, while in British Columbia, 53,710 employees received wage adjustments averaging 0.7 per cent from settlements reached in 1999.

In the Trade sector, 17,460 employees received wage adjustments averaging 1.3 per cent.

Chart D
Major Wage Settlements by Industry
Average Annual Percentage Adjustment in Base Rates



Source: Workplace Information Directorate

Fourth Quarter – 1999

Base-rate wage adjustments from major collective bargaining agreements ratified in the fourth quarter of 1999 averaged 2.9 per cent. Over the year, average wage adjustments fluctuated as follows: first quarter, 1.5 per cent; second quarter, 2.4 per cent; third quarter, 2.3 per cent; fourth quarter, 2.9 per cent.

The fourth-quarter 1999 results are based on a review of the 59 settlements reached in the period and cover 113,250 employees, a well, below-average quarterly coverage. The previous negotiations conducted by the parties to these agreements had resulted in contracts with close to 34 months duration, and an average wage adjustment of 2.1 per cent – almost the same as the 2.2 per cent obtained in their fourth-quarter 1999 settlements.

Of the 59 settlements reached in the fourth quarter of 1999, only one – covering 700 employees – provided for a wage freeze. The largest concentration of employees – 64,370 or 56.8 per cent of all employees in the quarter's settlements – received wage increases in the 1.0 per cent to 2.9 per cent. Cumulatively, two thirds of employees (75,480) received wage increases in the 1.0 per cent to 3.9 per cent range. Another large concentration of employees – 35,980 or 31.8 per cent of the total – received wage gains in the 4.0 to 4.9 per cent range.

Employees in the fourth quarter's settlements were almost evenly divided between the public and private sectors. The 56,240 employees in 31 public-sector

settlements received wage adjustments averaging 2.1 per cent, while 57,010 employees in 28 private-sector obtained wage increases averaging 3.7 per cent.

The vast majority of private-sector employees, 40,580, were in the Manufacturing sector, and received the largest average wage increase of 4.2 per cent. Of these, 35,460 were in the auto sector with wage gains of approximately 4.5 per cent.

In other industry groups, 1,050 Primary sector employees (of Inco Ltd. in Manitoba) gained a wage increase of 2.2 per cent. Wage increases for 30,270 employees in the Transportation, Communications and Other Utilities sector averaged 2.1 per cent. They included: 14,300 Québec Hydro employees with wage increases of 1.8 per cent; 3,350 longshoremen with the British Columbia Maritime Employers Association at 2.3 per cent; and 3,530 Telus Communications employees in Alberta, at 3.0 per cent. In the Trade sector, 2,830 employees of the Société des alcools du Québec received a wage increase of 1.5 per cent. Wage adjustments averaged 2.3 per cent for 14,640 employees in the Community, Business and Personal Services sector. Among these were 6,020 education sector employees in Ontario, with wage adjustments ranging from a wage freeze to 3.0 per cent, and averaging 2.1 per cent. For 23,880 employees in Public Administration, wage gains averaged 2.2 per cent. They included: 8,980 auditing, purchasing and commerce employees of the Government of Canada at 2.0 per cent, and 7,000 Toronto Police Services Board employees at 2.3 per cent. (There were no agreements in the Construction sector in the fourth quarter of 1999.)

Table 3

Wage Adjustments by Regional/Jurisdictional – Fourth Quarter 1999

Region	Agreements	Employees	Average Annual % Increase
Atlantic Canada	2	1,400	2.6
Quebec	8	20,550	2.1
Ontario	26	54,940	3.6
Prairie Provinces	12	11,230	2.7
British Columbia	2	2,190	0.8
Federal Jurisdiction	9	22,940	2.2
Canada	59	113,250	2.9

Source: Workplace Information Directorate

COLLECTIVE BARGAINING FORECAST – 2000

In December of each year, the Workplace Information Directorate undertakes a "forecasting" exercise to estimate the wage outcomes of collective bargaining for the coming year.

The forecast data are developed using internal and external expertise and individual forecasts are aggregated and weighted based on employee coverage for major collective agreements (more than 500 employees) likely to be settled in 2000.

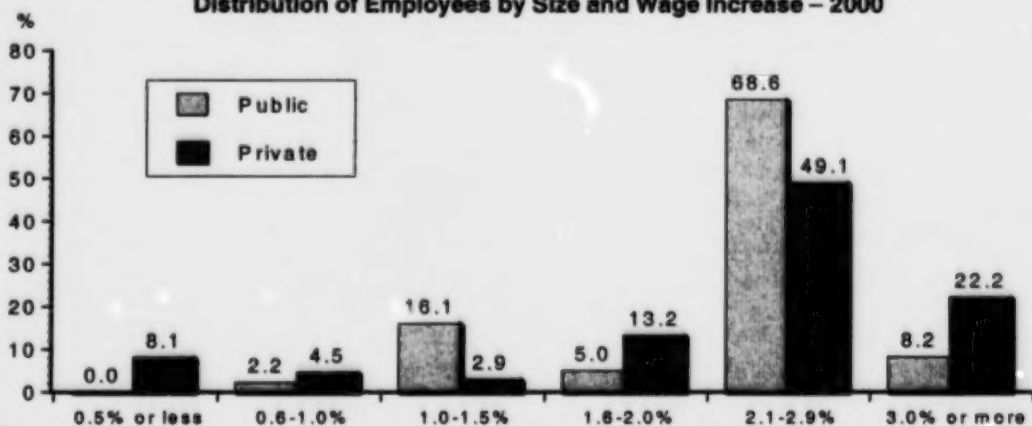
Highlights of 2000 Forecast

Number of major agreements to settle	436	Overall wage adjustment	2.2%
Number of employees covered	1,074,350	• Private sector	2.3%
Projected Consumer Price Index	2.1%	• Public sector	2.2%

Forecast Average Increases by Industry Group

Manufacturing	2.5%	Services	2.1%
Trade and Finance	2.2%	Construction	1.7%
Public Administration	2.3%	Primary Industries	2.2%
Transportation, Communication and Other Utilities	2.2%	All Industries	2.2%

Distribution of Employees by Size and Wage Increase – 2000



Source: Workplace Information Directorate

Other Forecasts

Conference Board of Canada (Compensation Planning Outlook, October 1999)

Overall	2.2%
Private Sector	2.4%
Public Sector	2.0%
Groupe-conseil Aon	2.0%

Canada Labour Views (September 1999)

Overall	2.3%
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MAJOR SETTLEMENTS REACHED IN THE FOURTH QUARTER OF 1999

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Primary (1 agreement)	1,050	2.2*	1.3	36	
Inco Limited, mines employees, Thompson, Manitoba	1,050	2.2	1.3	36	2002-09-15
Manufacturing (17 agreements)	40,580	4.2	3.6	38.8	
Accuride Canada Inc., plant and maintenance employees, London, Ontario	660	2.7	3.0	39	2003-03-13
Bowater Mersey Paper Co. Limited, mill employees, Liverpool, Nova Scotia	500	1.8	0.0	72	2004-04-30
Bridgestone/Firestone Canada Inc., plant and maintenance employees, Joliette, Quebec	850	2.1*	3.0	72	2005-08-31
DaimlerChrysler Canada Inc., plant and maintenance employees, Ajax, Ontario	680	4.5*	3.8	36	2002-09-17
DaimlerChrysler Canada Inc., plant and maintenance employees, Brampton, Ontario	4,350	4.5*	3.8	36	2002-09-17
DaimlerChrysler Canada Inc., plant and maintenance employees, Windsor, Ontario	8,030	4.5*	3.8	36	2002-09-17
General Motors of Canada Limited, plant and maintenance employees, Boisbriand, Quebec	2,070	4.5*	3.9	36	2002-09-17
General Motors of Canada Limited, plant and maintenance employees, London, Ontario	1,800	4.4*	3.7	36	2002-09-17
General Motors of Canada Limited, plant and maintenance employees, Oshawa, Ontario	11,250	4.4*	3.8	36	2002-09-17
General Motors of Canada Limited, plant and maintenance employees, St. Catharines, Ontario	5,090	4.4*	3.8	36	2002-09-17
General Motors of Canada Limited, plant and maintenance employees, Windsor, Ontario	1,790	4.4*	3.8	36	2002-09-17
Imperial Tobacco (Division of Imasco Limited), plant and maintenance employees, Guelph, Ontario	630	3.0*	3.0	60	2004-04-14
Imperial Tobacco (Division of Imasco Limited), plant and maintenance employees, Montréal and Joliette, Quebec	500	3.0*	3.0	60	2004-04-14
Lear Corporation, plant and maintenance employees, Windsor, Ontario	600	4.5*	3.9	36	2002-09-17
McGregor Hosiery Mills, production employees, Toronto, Ontario	530	2.4	2.5	36	2002-10-22
Spruce Falls Inc., mill employees, Kapuskasing, Ontario	950	1.9	0.0	72	2005-09-30
Winnipeg Free Press, Division of F.P. Newspapers and Division of Thomson Newspapers, print media employees, Winnipeg, Manitoba	500	2.7	2.5	36	2002-09-30
Transportation, Communication and Other Utilities (14 agreements)	30,270	2.1	1.8	48.4	
Agricore Cooperative Ltd., grain elevator employees, province-wide, Manitoba, Alberta and British Columbia	850	1.9	2.0	25	2001-12-31
ATCO Gas, plant and maintenance employees, Edmonton, Alberta	800	3.0	3.0	36	2002-12-31
Bell Canada, sales personnel, province-wide, Ontario and Quebec	1,300	1.4	2.5	48	2003-12-31

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Transportation, Communication and Other Utilities (continued)					
British Columbia Maritime Employers Association, longshoremen, Coast, British Columbia	3,350	2.3*	1.8	48	2002-12-31
Council of Marine Carriers, unlicensed personnel, Coast, British Columbia	500	1.3	1.0	36	2000-09-30
Eastern Canada Car Carriers, truck drivers, province-wide, Ontario and Quebec	1,800	2.3*	2.4	36	2002-10-31
Epcor Utilities Inc., utility workers, Edmonton, Alberta	590	2.8	2.5	36	2001-12-29
Greyhound Canada Transportation Corporation, bus drivers, system-wide, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon Territory	1,480	2.0	2.0	36	2001-12-31
Hydro-Québec, general tradesmen, province-wide, Quebec	6,500	1.8	1.0	60	2003-12-31
Hydro-Québec, office and clerical employees, province-wide, Quebec	5,400	1.8	1.0	60	2003-12-31
Hydro-Québec, technical employees, province-wide, Quebec	2,400	1.8	1.0	60	2003-12-31
Saskatchewan Wheat Pool, grain elevator employees, province-wide, Ontario, Manitoba, Saskatchewan and British Columbia	1,150	2.5	2.8	36	2003-01-31
TELUS Communications Inc., office and clerical employees, province-wide, Alberta	3,530	3.0	4.0	32	2000-12-31
TransAlta Utilities Corporation, office and clerical employees, province-wide, Alberta	620	2.2	0.0	36	2001-12-31
Trade (2 agreements)	2,830	1.5	1.5	14.3	
Société des alcools du Québec, office and clerical employees, province-wide, Quebec	2,280	1.5	1.5	12	1999-12-31
Société des alcools du Québec, warehouse employees, province-wide, Quebec	550	1.5	1.5	24	2000-12-31
Community, Business and Personal Services (15 agreements)	14,840	2.3	2.4	29.0	
Board of School Trustees of School District No. 43, office and clerical employees, Coquitlam, British Columbia	1,090	0.5	0.0	36	2001-12-31
Calgary Board of Education, office and clerical employees, Calgary, Alberta	2,130	3.2	3.0	36	2001-12-31
Chinook's Edge School Division No. 73, elementary and secondary teachers, Red Deer, Alberta	580	3.1	2.0	36	2000-08-31
Government of Alberta, health and social care professionals, province-wide, Alberta	710	2.3	2.4	24	1999-08-31
Ottawa-Carleton District School Board, plant and maintenance employees, Ottawa, Ontario	700	0.0	0.0	24	2001-08-31
Peel District School Board, occasional teachers, Mississauga, Ontario	510	1.9	0.0	30	2000-06-30
Red Deer Public School District No. 104, elementary and secondary teachers, Red Deer, Alberta	520	4.6	4.6	12	2000-08-31
Regional Health Authorities of Prince Edward Island, nurses, province-wide, Prince Edward Island	900	3.0	6.7	36	2002-03-31
St. James-Assiniboia School Division No. 2, elementary and secondary teachers, St. James-Assiniboia, Manitoba	650	2.0	2.0	24	2000-06-30

* Agreement with cost-of-living allowances (COLA) calculated at a projected 2.0 per cent inflation rate.

Industry and Employer	No. of Employees	Average Annual Adjustment	First Year Adjustment	Duration (months)	Expiry Date YY-MM-DD
Community, Business and Personal Services (continued)					
Saskatchewan Association of Health Organizations, health and social care professionals, province-wide, Saskatchewan	2,040	1.8	2.0	39	2001-03-31
Trillium Lakelands District School Board, elementary teachers, Lindsay, Ontario	810	1.8	0.0	24	2000-08-31
University of Western Ontario, teaching assistants, London, Ontario	1,000	3.0	4.1	36	2002-08-31
York University, professors, Toronto, Ontario	1,100	2.0	2.5	24	2001-04-30
York University, teaching assistants, Toronto, Ontario	700	2.8	2.8	12	2000-08-31
York University, teaching assistants, Toronto, Ontario	1,200	2.8	2.8	12	2000-08-31
Public Administration (10 agreements)	23,880	2.2	2.2	23.1	
City of Calgary, firefighters, Calgary, Alberta	1,040	3.0	3.0	24	1999-12-31
City of Kingston, inside and outside employees, Kingston, Ontario	700	1.7	0.0	48	2001-12-31
City of Ottawa, firefighters, Ottawa, Ontario	580	2.7	4.0	36	2001-12-31
City of Ottawa, inside and outside employees, Ottawa, Ontario	1,400	2.5	2.5	12	2000-12-31
District of Saanich, inside and outside employees, Saanich, British Columbia	1,100	1.0	1.1	36	2001-12-31
Government of Canada, commerce officers, Canada-wide	8,980	2.0	2.0	12	2000-06-21
Regional Municipality of Ottawa-Carleton, inside and outside employees, Ottawa, Ontario	3,100	2.3	3.0	18	2000-12-31
Toronto Police Services Board, office and clerical employees, Toronto, Ontario	900	2.3	2.0	36	2001-12-31
Toronto Police Services Board, police cadets, Toronto, Ontario	1,000	2.3	2.0	36	2001-12-31
Toronto Police Services Board, police officers, Toronto, Ontario	5,100	2.3	2.0	36	2001-12-31
Agreements with COLA (15 agreements)	43,640	4.1	3.5	38.2	
Agreements without COLA (44 agreements)	69,610	2.1	2.0	34.8	
All agreements (59 agreements)	113,250	2.9	2.6	36.1	

Source: Workplace Information Directorate

The Collective Bargaining Bulletin, a monthly publication, contains a listing of formal and up-to-date summaries of the major settlements shown above.

Copies of these settlement summaries are available by calling the Workplace Information Directorate at 1-800-567-6868 or Client Services at (819) 997-3117.

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* Cost-of-Living Allowance (COLA) formulae are quantified using a combination of the latest relevant Consumer Price Index (CPI) data available and/or a projected CPI increase of 2.0 per cent. Consult the Technical Notes for information on the calculation of the yield from COLA increases, and definitions of the industry and sector divisions used in this publication.

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Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1997	1998	1999	1999			
				1	2	3	4
All Industries							
Wage Adjustment (%)	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Number of Agreements	381	396	354	105	119	71	59
Number of Employees (000's)	695.4	916.9	797.6	245.9	263.8	174.7	113.3
Private Sector							
Wage Adjustment (%)	1.8	1.8	2.6	2.2	2.4	2.3	3.7
Number of Agreements	160	177	148	28	53	39	28
Number of Employees (000's)	324.1	270.8	299.3	54.2	63.1	125.0	57.0
Public Sector							
Wage Adjustment (%)	1.1	1.6	1.9	1.3	2.4	2.4	2.1
Number of Agreements	221	219	206	77	66	32	31
Number of Employees (000's)	371.3	646.1	498.3	191.7	200.7	49.7	56.2
Federal Administration							
Wage Adjustment (%)	3.2	2.2	2.9	2.1	3.7	2.1	2.0
Number of Agreements	1	16	10	3	5	1	1
Number of Employees (000's)	8.7	124.2	53.2	15.0	28.7	0.5	9.0
Federal Crown Corporations							
Wage Adjustment (%)	1.4	2.2	2.3	-	2.5	1.6	-
Number of Agreements	8	7	6	-	5	1	-
Number of Employees (000's)	65.4	9.3	19.8	-	16.6	3.2	-
Provincial Administration							
Wage Adjustment (%)	1.1	1.7	1.6	1.6	1.4	1.6	1.5
Number of Agreements	26	30	21	15	2	2	2
Number of Employees (000's)	45.1	112.2	73.9	58.4	7.3	5.4	2.8
Local Administration							
Wage Adjustment (%)	1.2	1.5	2.2	2.3	1.8	2.3	2.3
Number of Agreements	34	32	32	9	5	9	9
Number of Employees (000's)	43.8	48.3	42.7	6.8	7.9	13.2	14.9
Education, Health and Welfare							
Wage Adjustment (%)	1.0	1.3	1.8	0.9	2.3	2.7	2.3
Number of Agreements	148	132	125	45	47	18	15
Number of Employees (000's)	203.9	350.0	283.3	103.7	138.6	26.4	14.6
Public Utilities							
Wage Adjustment (%)	1.6	1.4	2.1	2.4	2.4	2.7	1.8
Number of Agreements	4	2	12	5	2	1	4
Number of Employees (000's)	4.4	2.1	25.3	7.8	1.7	1.0	14.9



Table A-1

**Effective Wage Adjustment in Base Rates, Number of Agreements and Employees Covered,
by Year and Quarter**

	1997	1998	1999	1999			
				1	2	3	4
All Industries							
Wage Adjustment (%)	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Number of Agreements	381	396	354	105	119	71	59
Number of Employees (000's)	695.4	916.9	797.6	245.9	263.8	174.7	113.3
Private Sector							
Wage Adjustment (%)	1.8	1.8	2.6	2.2	2.4	2.3	3.7
Number of Agreements	160	177	148	28	53	39	28
Number of Employees (000's)	324.1	270.8	299.3	54.2	63.1	125.0	57.0
Public Sector							
Wage Adjustment (%)	1.1	1.6	1.9	1.3	2.4	2.4	2.1
Number of Agreements	221	219	206	77	66	32	31
Number of Employees (000's)	371.3	646.1	498.3	191.7	200.7	49.7	56.2
Federal Administration							
Wage Adjustment (%)	3.2	2.2	2.9	2.1	3.7	2.1	2.0
Number of Agreements	1	16	10	3	5	1	1
Number of Employees (000's)	8.7	124.2	53.2	15.0	28.7	0.5	9.0
Federal Crown Corporations							
Wage Adjustment (%)	1.4	2.2	2.3	-	2.5	1.6	-
Number of Agreements	8	7	6	-	5	1	-
Number of Employees (000's)	65.4	9.3	19.8	-	16.6	3.2	-
Provincial Administration							
Wage Adjustment (%)	1.1	1.7	1.6	1.6	1.4	1.6	1.5
Number of Agreements	26	30	21	15	2	2	2
Number of Employees (000's)	45.1	112.2	73.9	58.4	7.3	5.4	2.8
Local Administration							
Wage Adjustment (%)	1.2	1.5	2.2	2.3	1.8	2.3	2.3
Number of Agreements	34	32	32	9	5	9	9
Number of Employees (000's)	43.8	48.3	42.7	6.8	7.9	13.2	14.9
Education, Health and Welfare							
Wage Adjustment (%)	1.0	1.3	1.8	0.9	2.3	2.7	2.3
Number of Agreements	148	132	125	45	47	18	15
Number of Employees (000's)	203.9	350.0	283.3	103.7	138.6	26.4	14.6
Public Utilities							
Wage Adjustment (%)	1.6	1.4	2.1	2.4	2.4	2.7	1.8
Number of Agreements	4	2	12	5	2	1	4
Number of Employees (000's)	4.4	2.1	25.3	7.8	1.7	1.0	14.9

Table A-2

**Effective Wage Adjustment in Base Rates, by Effective Period,
Fourth Quarter 1999**

Sector/ Agreement Duration	Number of Agreements	Number of Employees	First 12 Months	Second 12 Months	Third 12 Months	Fourth 12 Months	Average Annual Adjustment	Average Agreement Duration
		(000's)	(%)	(%)	(%)	(%)	(%)	(Months)
All Industries								
17 Months or Less	6	15.1	2.2	-	-	-	2.2	12.0
18-29 Months	9	9.5	2.2	1.5	-	-	2.0	22.1
30-41 Months	33	65.6	3.2	3.7	3.6	-	3.5	35.9
42 Months or More	11	23.1	1.3	2.1	2.1	2.2	1.9	58.4
All Agreements	59	113.3	2.6	3.1	3.2	2.2	2.9	36.1
Private Sector								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	1	0.9	2.0	2.0	-	-	1.9	25.0
30-41 Months	20	48.1	3.5	4.2	4.1	-	3.9	35.7
42 Months or More	7	8.1	1.9	2.2	2.2	2.5	2.1	56.5
All Agreements	28	57.0	3.3	3.8	3.8	2.5	3.7	38.5
Public Sector								
17 Months or Less	6	15.1	2.2	-	-	-	2.2	12.0
18-29 Months	8	8.7	2.2	1.5	-	-	2.0	21.9
30-41 Months	13	17.5	2.3	2.3	2.3	-	2.3	36.2
42 Months or More	4	15.0	1.0	2.0	2.0	2.0	1.8	59.4
All Agreements	31	56.2	1.9	2.0	2.2	2.0	2.1	33.7
Federal Administration								
17 Months or Less	1	9.0	2.0	-	-	-	2.0	12.0
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	1	9.0	2.0	-	-	-	2.0	12.0
Federal Crown Corporations								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-	-	-
Provincial Administration								
17 Months or Less	1	2.3	1.5	-	-	-	1.5	12.0
18-29 Months	1	0.6	1.5	1.5	-	-	1.5	24.0
30-41 Months	-	-	-	-	-	-	-	-
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	2	2.8	1.5	1.5	-	-	1.5	14.3
Local Administration								
17 Months or Less	1	1.4	2.5	-	-	-	2.5	12.0
18-29 Months	2	4.1	3.0	1.1	-	-	2.5	19.5
30-41 Months	5	8.7	2.0	2.0	2.5	-	2.2	36.0
42 Months or More	1	0.7	0.0	2.8	2.0	2.0	1.7	48.0
All Agreements	9	14.9	2.2	1.8	2.5	2.0	2.3	29.7
Education, Health and Welfare								
17 Months or Less	3	2.4	3.2	-	-	-	3.2	12.0
18-29 Months	5	4.0	1.4	1.8	-	-	1.6	24.0
30-41 Months	7	8.3	2.6	2.6	2.0	-	2.4	36.4
42 Months or More	-	-	-	-	-	-	-	-
All Agreements	15	14.6	2.4	2.3	2.0	-	2.3	29.0
Public Utilities								
17 Months or Less	-	-	-	-	-	-	-	-
18-29 Months	-	-	-	-	-	-	-	-
30-41 Months	1	0.6	2.5	3.0	3.0	-	2.8	36.0
42 Months or More	3	14.3	1.0	2.0	2.0	2.0	1.8	60.0
All Agreements	4	14.9	1.1	2.0	2.0	2.0	1.8	59.0

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997	1998	1999	1999			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	1.4	1.6	2.0	1.5	2.5	2.1	2.1
Agreements with COLA	1.7	2.5	3.2	2.0	2.0	3.9	4.1
All Agreements	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Primary Industry							
Agreements without COLA	1.9	1.1	1.8	-	2.7	0.9	-
Agreements with COLA	1.8	-	2.3	-	2.4	2.3	2.2
All Agreements	1.8	1.1	2.1	-	2.6	1.6	2.2
Manufacturing							
Agreements without COLA	2.1	0.9	1.8	1.4	1.9	2.0	2.3
Agreements with COLA	2.7	2.7	3.8	2.1	2.5	4.0	4.3
All Agreements	2.3	1.4	3.2	1.6	2.2	3.3	4.2
Construction							
Agreements without COLA	1.6	2.4	2.0	2.5	5.3	1.4	-
Agreements with COLA	-	2.9	-	-	-	-	-
All Agreements	1.6	2.4	2.0	2.5	5.3	1.4	-
Transportation, Communication and Other Utilities							
Agreements without COLA	1.7	1.9	2.5	2.0	2.6	3.3	2.1
Agreements with COLA	1.5	1.9	2.2	1.7	2.0	3.6	2.3
All Agreements	1.6	1.9	2.4	2.0	2.3	3.3	2.1
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	1.7	1.5	1.6	2.4	1.4	1.9	1.5
Agreements with COLA	1.6	2.8	0.6	-	0.6	-	-
All Agreements	1.7	1.5	1.3	2.4	1.0	1.9	1.5
Community, Business and Personal Services							
Agreements without COLA	1.0	1.3	1.8	0.9	2.3	2.4	2.3
Agreements with COLA	1.6	0.9	-	-	-	-	-
All Agreements	1.0	1.3	1.8	0.9	2.3	2.4	2.3
Public Administration							
Agreements without COLA	1.3	1.8	2.2	1.7	3.2	2.2	2.2
Agreements with COLA	-	-	2.3	-	2.3	-	-
All Agreements	1.3	1.8	2.2	1.7	3.1	2.2	2.2

Table B-1

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997	1998	1999	1999			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Industries							
Agreements without COLA	1.4	1.6	2.0	1.5	2.5	2.1	2.1
Agreements with COLA	1.7	2.5	3.2	2.0	2.0	3.9	4.1
All Agreements	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Primary Industry							
Agreements without COLA	1.9	1.1	1.8	-	2.7	0.9	-
Agreements with COLA	1.8	-	2.3	-	2.4	2.3	2.2
All Agreements	1.8	1.1	2.1	-	2.6	1.6	2.2
Manufacturing							
Agreements without COLA	2.1	0.9	1.8	1.4	1.9	2.0	2.3
Agreements with COLA	2.7	2.7	3.8	2.1	2.5	4.0	4.3
All Agreements	2.3	1.4	3.2	1.6	2.2	3.3	4.2
Construction							
Agreements without COLA	1.6	2.4	2.0	2.5	5.3	1.4	-
Agreements with COLA	-	2.9	-	-	-	-	-
All Agreements	1.6	2.4	2.0	2.5	5.3	1.4	-
Transportation, Communication and Other Utilities							
Agreements without COLA	1.7	1.9	2.5	2.0	2.6	3.3	2.1
Agreements with COLA	1.5	1.9	2.2	1.7	2.0	3.6	2.3
All Agreements	1.6	1.9	2.4	2.0	2.3	3.3	2.1
Trade; Finance, Insurance and Real Estate							
Agreements without COLA	1.7	1.5	1.6	2.4	1.4	1.9	1.5
Agreements with COLA	1.6	2.8	0.6	-	0.6	-	-
All Agreements	1.7	1.5	1.3	2.4	1.0	1.9	1.5
Community, Business and Personal Services							
Agreements without COLA	1.0	1.3	1.8	0.9	2.3	2.4	2.3
Agreements with COLA	1.6	0.9	-	-	-	-	-
All Agreements	1.0	1.3	1.8	0.9	2.3	2.4	2.3
Public Administration							
Agreements without COLA	1.3	1.8	2.2	1.7	3.2	2.2	2.2
Agreements with COLA	-	-	2.3	-	2.3	-	-
All Agreements	1.3	1.8	2.2	1.7	3.1	2.2	2.2

Table B-2

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1997		1998		1999	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Industries						
Agreements without COLA	345	583.4	360	883.8	309	691.5
Agreements with COLA	36	112.0	36	33.1	45	106.1
All Agreements	381	695.4	396	916.9	354	797.6
Primary Industry						
Agreements without COLA	3	2.3	2	1.8	4	2.9
Agreements with COLA	5	8.3	-	-	4	3.8
All Agreements	8	10.6	2	1.8	8	6.7
Manufacturing						
Agreements without COLA	42	50.2	48	61.3	43	31.8
Agreements with COLA	20	22.1	26	24.4	29	70.8
All Agreements	62	72.3	74	85.7	72	102.6
Construction						
Agreements without COLA	32	104.8	45	93.8	21	97.8
Agreements with COLA	-	-	3	2.2	-	-
All Agreements	32	104.8	48	96.0	21	97.8
Transportation, Communication and Other Utilities						
Agreements without COLA	27	67.6	39	80.4	44	102.2
Agreements with COLA	5	59.5	3	4.0	10	25.6
All Agreements	32	127.1	42	84.4	54	127.8
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	29	56.2	16	25.0	11	12.3
Agreements with COLA	4	18.7	1	0.8	1	5.2
All Agreements	33	74.9	17	25.8	12	17.5
Community, Business and Personal Services						
Agreements without COLA	165	229.4	148	373.8	140	301.3
Agreements with COLA	2	3.4	3	1.7	-	-
All Agreements	167	232.9	151	375.5	140	301.3
Public Administration						
Agreements without COLA	47	72.9	62	247.8	46	143.3
Agreements with COLA	-	-	-	-	1	0.7
All Agreements	47	72.9	62	247.8	47	143.9

Table B-2 (continued)

Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter

	1999							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	100	241.4	104	227.1	61	153.4	44	69.6
Agreements with COLA	5	4.5	15	36.7	10	21.3	15	43.6
All Agreements	105	245.9	119	263.8	71	174.7	59	113.3
Primary Industry								
Agreements without COLA	-	-	2	1.5	2	1.4	-	-
Agreements with COLA	-	-	1	1.4	2	1.4	1	1.1
All Agreements	-	-	3	2.9	4	2.8	1	1.1
Manufacturing								
Agreements without COLA	10	6.8	19	12.7	9	9.1	5	3.1
Agreements with COLA	3	2.9	9	12.8	5	17.7	12	37.4
All Agreements	13	9.7	28	25.5	14	26.8	17	40.6
Construction								
Agreements without COLA	10	29.5	7	6.7	4	61.7	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	10	29.5	7	6.7	4	61.7	-	-
Transportation, Communication and Other Utilities								
Agreements without COLA	11	30.4	11	18.6	10	28.1	12	25.1
Agreements with COLA	2	1.6	3	16.7	3	2.2	2	5.2
All Agreements	13	32.0	14	35.2	13	30.3	14	30.3
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	2	1.5	5	6.1	2	1.9	2	2.8
Agreements with COLA	-	-	1	5.2	-	-	-	-
All Agreements	2	1.5	6	11.3	2	1.9	2	2.8
Community, Business and Personal Services								
Agreements without COLA	47	105.4	51	141.2	27	40.2	15	14.6
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	47	105.4	51	141.2	27	40.2	15	14.6
Public Administration								
Agreements without COLA	20	67.9	9	40.4	7	11.1	10	23.9
Agreements with COLA	-	-	1	0.7	-	-	-	-
All Agreements	20	67.9	10	41.1	7	11.1	10	23.9



Table B-2 (continued)

**Number of Agreements and Employees Covered, by Major Industry Division,
with and without COLA, by Year and Quarter**

	1999							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Industries								
Agreements without COLA	100	241.4	104	227.1	61	153.4	44	69.6
Agreements with COLA	5	4.5	15	36.7	10	21.3	15	43.6
All Agreements	105	245.9	119	263.8	71	174.7	59	113.3
Primary Industry								
Agreements without COLA	-	-	2	1.5	2	1.4	-	-
Agreements with COLA	-	-	1	1.4	2	1.4	1	1.1
All Agreements	-	-	3	2.9	4	2.8	1	1.1
Manufacturing								
Agreements without COLA	10	6.8	19	12.7	9	9.1	5	3.1
Agreements with COLA	3	2.9	9	12.8	5	17.7	12	37.4
All Agreements	13	9.7	28	25.5	14	26.8	17	40.6
Construction								
Agreements without COLA	10	29.5	7	6.7	4	61.7	-	-
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	10	29.5	7	6.7	4	61.7	-	-
Transportation, Communication and Other Utilities								
Agreements without COLA	11	30.4	11	18.6	10	28.1	12	25.1
Agreements with COLA	2	1.6	3	16.7	3	2.2	2	5.2
All Agreements	13	32.0	14	35.2	13	30.3	14	30.3
Trade; Finance, Insurance and Real Estate								
Agreements without COLA	2	1.5	5	6.1	2	1.9	2	2.8
Agreements with COLA	-	-	1	5.2	-	-	-	-
All Agreements	2	1.5	6	11.3	2	1.9	2	2.8
Community, Business and Personal Services								
Agreements without COLA	47	105.4	51	141.2	27	40.2	15	14.6
Agreements with COLA	-	-	-	-	-	-	-	-
All Agreements	47	105.4	51	141.2	27	40.2	15	14.6
Public Administration								
Agreements without COLA	20	67.9	9	40.4	7	11.1	10	23.9
Agreements with COLA	-	-	1	0.7	-	-	-	-
All Agreements	20	67.9	10	41.1	7	11.1	10	23.9

Table B-3

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Fourth Quarter 1999**

	17 Months or Less			18-29 Months		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	6	15.1	2.2	9	9.5	2.0
Agreements with COLA	-	-	-	-	-	-
All Agreements	6	15.1	2.2	9	9.5	2.0
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Manufacturing						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Construction						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	-	-	-	1	0.9	1.9
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	1	0.9	1.9
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	1	2.3	1.5	1	0.6	1.5
Agreements with COLA	-	-	-	-	-	-
All Agreements	1	2.3	1.5	1	0.6	1.5
Community, Business and Personal Services						
Agreements without COLA	3	2.4	3.2	5	4.0	1.6
Agreements with COLA	-	-	-	-	-	-
All Agreements	3	2.4	3.2	5	4.0	1.6
Public Administration						
Agreements without COLA	2	10.4	2.1	2	4.1	2.5
Agreements with COLA	-	-	-	-	-	-
All Agreements	2	10.4	2.1	2	4.1	2.5

Table B-3 (continued)

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
by Duration of Agreement, with and without COLA, Fourth Quarter 1999**

	30-41 Months			42 Months or More		
	Number of Agreements	Number of Employees	Average Annual Adjustment	Number of Agreements	Number of Employees	Average Annual Adjustment
		(000's)	(%)		(000's)	(%)
All Industries						
Agreements without COLA	22	27.3	2.4	7	17.8	1.8
Agreements with COLA	11	38.3	4.3	4	5.3	2.4
All Agreements	33	65.6	3.5	11	23.1	1.9
Primary Industry						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	1	1.1	2.2	-	-	-
All Agreements	1	1.1	2.2	-	-	-
Manufacturing						
Agreements without COLA	3	1.7	2.6	2	1.5	1.9
Agreements with COLA	9	35.5	4.4	3	2.0	2.6
All Agreements	12	37.2	4.4	5	3.4	2.3
Construction						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Transportation, Communication and Other Utilities						
Agreements without COLA	7	8.7	2.6	4	15.6	1.8
Agreements with COLA	1	1.8	2.3	1	3.4	2.3
All Agreements	8	10.5	2.6	5	19.0	1.9
Trade; Finance, Insurance and Real Estate						
Agreements without COLA	-	-	-	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	-	-	-	-	-	-
Community, Business and Personal Services						
Agreements without COLA	7	8.3	2.4	-	-	-
Agreements with COLA	-	-	-	-	-	-
All Agreements	7	8.3	2.4	-	-	-
Public Administration						
Agreements without COLA	5	8.7	2.2	1	0.7	1.7
Agreements with COLA	-	-	-	-	-	-
All Agreements	5	8.7	2.2	1	0.7	1.7

Table B-4

**Effective Wage Adjustment in Base Rates, by Major Industry Division,
with and without COLA, Fourth Quarter 1999**

	Number of Agreements	Number of Employees	Average Annual Adjustment	First 12 Months	Average Agreement Duration
		(000's)	(%)	(%)	(Months)
All Industries					
Agreements without COLA	44	69.6	2.1	2.0	34.8
Agreements with COLA	15	43.6	4.1	3.5	38.2
All Agreements	59	113.3	2.9	2.6	36.1
Primary Industry					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	1	1.1	2.2	1.3	36.0
All Agreements	1	1.1	2.2	1.3	36.0
Manufacturing					
Agreements without COLA	5	3.1	2.3	1.5	53.3
Agreements with COLA	12	37.4	4.3	3.8	37.5
All Agreements	17	40.6	4.2	3.6	38.8
Construction					
Agreements without COLA	-	-	-	-	-
Agreements with COLA	-	-	-	-	-
All Agreements	-	-	-	-	-
Transportation, Communication and Other Utilities					
Agreements without COLA	12	25.1	2.1	1.8	49.3
Agreements with COLA	2	5.2	2.3	2.0	43.8
All Agreements	14	30.3	2.1	1.8	48.4
Trade; Finance, Insurance and Real Estate					
Agreements without COLA	2	2.8	1.5	1.5	14.3
Agreements with COLA	-	-	-	-	-
All Agreements	2	2.8	1.5	1.5	14.3
Community, Business and Personal Services					
Agreements without COLA	15	14.6	2.3	2.4	29.0
Agreements with COLA	-	-	-	-	-
All Agreements	15	14.6	2.3	2.4	29.0
Public Administration					
Agreements without COLA	10	23.9	2.2	2.2	23.1
Agreements with COLA	-	-	-	-	-
All Agreements	10	23.9	2.2	2.2	23.1

**IMPORTANT NOTE CONCERNING THE FOLLOWING
PAGES**

**THE PAGES WHICH FOLLOW HAVE BEEN FILMED
TWICE IN ORDER TO OBTAIN THE BEST
REPRODUCTIVE QUALITY**

**USERS SHOULD CONSULT ALL THE PAGES
REPRODUCED ON THE FICHE IN ORDER TO OBTAIN
A COMPLETE READING OF THE TEXT.**

**REMARQUE IMPORTANTE CONCERNANT LES
PAGES QUI SUIVENT**

**LES PAGES SUIVANTES ONT ÉTÉ REPRODUITES EN
DOUBLE AFIN D'AMÉLIORER LA QUALITÉ DE
REPRODUCTION**

**LES UTILISATEURS DOIVENT CONSULTER TOUTES
LES PAGES REPRODUITES SUR LA FICHE AFIN
D'OBTENIR LA LECTURE DU TEXTE INTÉGRAL**

Table C-1
Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter

	1997	1998	1999	1999			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	1.5	1.6	2.2	1.5	2.4	2.3	2.9
<i>Atlantic</i>	1.1	1.9	2.0	2.3	1.6	2.4	2.6
Newfoundland	1.7	1.3	1.6	1.5	1.6	2.2	-
Prince Edward Island	-	2.1	2.7	2.8	2.3	-	3.0
Nova Scotia	2.0	2.5	2.1	4.5	-	1.5	1.8
New Brunswick	0.7	1.5	2.4	-	1.6	3.6	-
Quebec	1.3	1.0	1.6	1.3	1.4	1.5	2.1
Ontario	1.1	1.6	2.0	1.4	1.6	3.0	3.6
<i>Prairies</i>	2.0	2.4	3.1	3.2	3.1	3.0	2.7
Manitoba	1.1	1.4	2.5	1.5	2.8	2.2	2.3
Saskatchewan	0.9	1.8	2.2	2.6	1.7	3.5	1.8
Alberta	2.4	3.0	4.0	4.3	4.3	3.3	3.0
British Columbia	1.3	0.7	0.8	0.7	0.5	1.3	0.8
More than One Province	3.0	1.7	2.8	1.8	3.4	-	-
Federal	1.8	2.1	2.8	2.0	3.1	3.4	2.2
Public Sector							
CANADA	1.1	1.6	1.9	1.3	2.4	2.4	2.1
<i>Atlantic</i>	1.0	1.9	1.8	2.5	1.3	1.9	3.0
Newfoundland	2.1	1.3	1.3	1.4	1.3	-	-
Prince Edward Island	-	2.1	2.9	2.8	-	-	3.0
Nova Scotia	1.8	2.6	2.3	4.5	-	1.4	-
New Brunswick	0.8	1.5	3.2	-	-	3.2	-
Quebec	1.3	1.1	1.7	1.9	1.1	1.1	1.8
Ontario	0.6	1.3	1.5	1.2	1.4	2.2	2.3
<i>Prairies</i>	1.7	2.2	2.9	2.4	3.1	2.8	2.7
Manitoba	1.0	1.2	2.5	1.5	2.8	1.8	2.0
Saskatchewan	0.9	1.8	2.3	2.6	1.8	3.5	1.8
Alberta	2.2	2.6	3.8	2.7	4.1	3.3	3.1
British Columbia	0.6	0.7	0.6	0.7	0.4	0.7	0.8
More than One Province	-	-	-	-	-	-	-
Federal	1.6	2.2	2.7	2.0	3.2	1.9	2.0
Private Sector							
CANADA	1.8	1.8	2.6	2.2	2.4	2.3	3.7
<i>Atlantic</i>	1.2	1.8	2.2	1.8	2.0	2.9	1.8
Newfoundland	1.7	1.9	2.2	1.8	2.4	2.2	-
Prince Edward Island	-	-	2.3	-	2.3	-	-
Nova Scotia	2.1	1.8	1.8	-	-	1.8	1.8
New Brunswick	0.4	1.6	2.3	-	1.6	3.8	-
Quebec	1.3	0.9	1.5	1.2	1.7	1.5	3.7
Ontario	1.9	2.0	3.2	2.2	2.0	3.8	4.3
<i>Prairies</i>	2.5	3.2	3.9	6.1	3.3	4.2	2.5
Manitoba	1.8	1.6	3.1	-	2.6	4.2	2.4
Saskatchewan	1.2	1.1	0.9	-	0.9	-	-
Alberta	2.6	4.6	5.1	6.1	4.9	-	2.6
British Columbia	1.6	1.5	1.4	2.0	1.2	1.3	-
More than One Province	3.0	1.7	2.8	1.8	3.4	-	-
Federal	2.1	1.7	2.8	1.9	2.7	3.8	2.3

Table C-1

**Effective Wage Adjustment in Base Rates, by Region/Jurisdiction,
by Year and Quarter**

	1997	1998	1999	1999			
				1	2	3	4
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
All Sectors							
CANADA	1.5	1.6	2.2	1.5	2.4	2.3	2.9
<i>Atlantic</i>	1.1	1.9	2.0	2.3	1.6	2.4	2.6
Newfoundland	1.7	1.3	1.6	1.5	1.6	2.2	-
Prince Edward Island	-	2.1	2.7	2.8	2.3	-	3.0
Nova Scotia	2.0	2.5	2.1	4.5	-	1.5	1.8
New Brunswick	0.7	1.5	2.4	-	1.6	3.6	-
Quebec	1.3	1.0	1.6	1.3	1.4	1.5	2.1
Ontario	1.1	1.6	2.0	1.4	1.6	3.0	3.6
<i>Prairies</i>	2.0	2.4	3.1	3.2	3.1	3.0	2.7
Manitoba	1.1	1.4	2.5	1.5	2.8	2.2	2.3
Saskatchewan	0.9	1.8	2.2	2.6	1.7	3.5	1.8
Alberta	2.4	3.0	4.0	4.3	4.3	3.3	3.0
British Columbia	1.3	0.7	0.8	0.7	0.5	1.3	0.8
More than One Province	3.0	1.7	2.8	1.8	3.4	-	-
Federal	1.8	2.1	2.8	2.0	3.1	3.4	2.2
Public Sector							
CANADA	1.1	1.6	1.9	1.3	2.4	2.4	2.1
<i>Atlantic</i>	1.0	1.9	1.8	2.5	1.3	1.9	3.0
Newfoundland	2.1	1.3	1.3	1.4	1.3	-	-
Prince Edward Island	-	2.1	2.9	2.8	-	-	3.0
Nova Scotia	1.8	2.6	2.3	4.5	-	1.4	-
New Brunswick	0.8	1.5	3.2	-	-	3.2	-
Quebec	1.3	1.1	1.7	1.9	1.1	1.1	1.8
Ontario	0.6	1.3	1.5	1.2	1.4	2.2	2.3
<i>Prairies</i>	1.7	2.2	2.9	2.4	3.1	2.9	2.7
Manitoba	1.0	1.2	2.5	1.5	2.8	1.8	2.0
Saskatchewan	0.9	1.8	2.3	2.6	1.8	3.5	1.8
Alberta	2.2	2.6	3.8	2.7	4.1	3.3	3.1
British Columbia	0.6	0.7	0.6	0.7	0.4	0.7	0.8
More than One Province	-	-	-	-	-	-	-
Federal	1.6	2.2	2.7	2.0	3.2	1.9	2.0
Private Sector							
CANADA	1.8	1.8	2.6	2.2	2.4	2.3	3.7
<i>Atlantic</i>	1.2	1.8	2.2	1.8	2.0	2.9	1.8
Newfoundland	1.7	1.9	2.2	1.8	2.4	2.2	-
Prince Edward Island	-	-	2.3	-	2.3	-	-
Nova Scotia	2.1	1.8	1.8	-	-	1.8	1.8
New Brunswick	0.4	1.6	2.3	-	1.6	3.8	-
Quebec	1.3	0.9	1.5	1.2	1.7	1.5	3.7
Ontario	1.9	2.0	3.2	2.2	2.0	3.8	4.3
<i>Prairies</i>	2.5	3.2	3.9	6.1	3.3	4.2	2.5
Manitoba	1.8	1.6	3.1	-	2.6	4.2	2.4
Saskatchewan	1.2	1.1	0.9	-	0.9	-	-
Alberta	2.6	4.6	5.1	6.1	4.9	-	2.6
British Columbia	1.6	1.5	1.4	2.0	1.2	1.3	-
More than One Province	3.0	1.7	2.8	1.8	3.4	-	-
Federal	2.1	1.7	2.8	1.9	2.7	3.8	2.3

Table C-2

**Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter**

	1997		1998		1999	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)	
All Sectors						
CANADA	381	695.4	396	916.9	354	797.6
<i>Atlantic</i>	18	20.9	42	93.4	21	19.4
Newfoundland	5	6.1	7	25.4	8	9.7
Prince Edward Island	-	-	3	3.9	3	2.2
Nova Scotia	2	1.8	18	39.0	5	3.3
New Brunswick	11	13.0	14	25.0	5	4.3
Quebec	39	92.3	53	82.3	39	113.7
Ontario	177	240.2	138	266.4	158	303.7
<i>Prairies</i>	80	146.0	83	134.0	66	143.3
Manitoba	21	27.9	20	22.3	17	37.8
Saskatchewan	7	16.9	12	32.3	14	44.4
Alberta	52	101.1	51	79.4	35	61.1
British Columbia	34	69.3	33	150.7	24	71.5
More than One Province	7	7.7	2	7.0	3	2.2
Federal	26	119.0	45	183.2	43	143.9
Public Sector						
CANADA	221	371.3	219	646.1	206	498.3
<i>Atlantic</i>	8	10.9	29	81.6	10	10.7
Newfoundland	2	1.2	6	22.9	4	6.6
Prince Edward Island	-	-	3	3.9	2	1.5
Nova Scotia	1	0.6	11	33.6	3	2.1
New Brunswick	5	9.0	9	21.1	1	0.6
Quebec	16	19.8	14	23.6	12	25.8
Ontario	113	139.3	76	166.7	105	203.2
<i>Prairies</i>	55	100.6	62	106.5	47	122.2
Manitoba	18	24.0	11	11.7	13	34.2
Saskatchewan	4	14.5	10	30.5	10	40.0
Alberta	33	62.1	41	64.3	24	48.0
British Columbia	18	25.4	15	133.7	12	57.1
More than One Province	-	-	-	-	-	-
Federal	11	75.4	23	134.1	20	79.3
Private Sector						
CANADA	160	324.1	177	270.8	148	299.3
<i>Atlantic</i>	10	10.1	13	11.8	11	8.7
Newfoundland	3	4.9	1	2.5	4	3.1
Prince Edward Island	-	-	-	-	1	0.7
Nova Scotia	1	1.2	7	5.4	2	1.2
New Brunswick	6	4.0	5	3.9	4	3.7
Quebec	23	72.6	39	58.7	27	87.9
Ontario	64	100.9	62	99.7	53	100.5
<i>Prairies</i>	25	45.4	21	27.5	19	21.1
Manitoba	3	4.0	9	10.5	4	3.6
Saskatchewan	3	2.4	2	1.8	4	4.4
Alberta	19	39.0	10	15.1	11	13.1
British Columbia	16	43.9	18	17.0	12	14.3
More than One Province	7	7.7	2	7.0	3	2.2
Federal	15	43.6	22	49.1	23	64.6

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1999							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	105	245.9	119	263.8	71	174.7	59	113.3
<i>Atlantic</i>	5	3.3	8	10.2	6	4.5	2	1.4
Newfoundland	3	2.1	4	7.1	1	0.6	-	-
Prince Edward Island	1	0.6	1	0.7	-	-	1	0.9
Nova Scotia	1	0.6	-	-	3	2.2	1	0.5
New Brunswick	-	-	3	2.5	2	1.8	-	-
Quebec	11	18.2	5	4.3	15	70.6	8	20.6
Ontario	57	121.2	54	92.5	21	35.0	26	54.9
<i>Prairies</i>	17	20.5	29	89.2	8	22.3	12	11.2
Manitoba	4	4.0	6	23.6	4	8.0	3	2.2
Saskatchewan	5	7.2	7	26.8	1	8.4	1	2.0
Alberta	8	9.3	16	38.8	3	6.0	8	7.0
British Columbia	6	48.7	6	7.3	10	13.2	2	2.2
More than One Province	1	0.9	2	1.3	-	-	-	-
Federal	8	33.1	15	58.8	11	29.1	9	22.9
Public Sector								
CANADA	77	191.7	66	200.7	32	49.7	31	56.2
<i>Atlantic</i>	4	2.7	2	5.2	3	2.0	1	0.9
Newfoundland	2	1.4	2	5.2	-	-	-	-
Prince Edward Island	1	0.6	-	-	-	-	1	0.9
Nova Scotia	1	0.6	-	-	2	1.5	-	-
New Brunswick	-	-	-	-	1	0.6	-	-
Quebec	3	3.9	1	2.0	3	2.8	5	17.1
Ontario	45	101.3	32	66.1	14	17.0	14	18.8
<i>Prairies</i>	15	16.0	17	76.9	7	21.0	8	8.3
Manitoba	4	4.0	5	22.9	3	6.6	1	0.7
Saskatchewan	5	7.2	3	22.4	1	8.4	1	2.0
Alberta	6	4.8	9	31.6	3	6.0	6	5.6
British Columbia	5	48.2	4	6.2	1	0.6	2	2.2
More than One Province	-	-	-	-	-	-	-	-
Federal	5	19.7	10	44.4	4	6.3	1	9.0
Private Sector								
CANADA	28	54.2	53	63.1	39	125.0	28	57.0
<i>Atlantic</i>	1	0.6	6	5.1	3	2.5	1	0.5
Newfoundland	1	0.6	2	1.9	1	0.6	-	-
Prince Edward Island	-	-	1	0.7	-	-	-	-
Nova Scotia	-	-	-	-	1	0.7	1	0.5
New Brunswick	-	-	3	2.5	1	1.2	-	-
Quebec	8	14.3	4	2.4	12	67.9	3	3.4
Ontario	12	20.0	22	26.4	7	18.0	12	36.2
<i>Prairies</i>	2	4.5	12	12.3	1	1.4	4	3.0
Manitoba	-	-	1	0.7	1	1.4	2	1.6
Saskatchewan	-	-	4	4.4	-	-	-	-
Alberta	2	4.5	7	7.2	-	-	2	1.4
British Columbia	1	0.6	2	1.2	9	12.6	-	-
More than One Province	1	0.9	2	1.3	-	-	-	-
Federal	3	13.4	5	14.5	7	22.8	8	14.0

Table C-2 (continued)

Number of Agreements and Employees Covered, by Region/Jurisdiction,
by Year and Quarter

	1999							
	1		2		3		4	
	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees	Number of Agreements	Number of Employees
	(000's)		(000's)		(000's)		(000's)	
All Sectors								
CANADA	105	245.9	119	263.8	71	174.7	59	113.3
<i>Atlantic</i>	5	3.3	8	10.2	6	4.5	2	1.4
Newfoundland	3	2.1	4	7.1	1	0.6	-	-
Prince Edward Island	1	0.6	1	0.7	-	-	1	0.9
Nova Scotia	1	0.6	-	-	3	2.2	1	0.5
New Brunswick	-	-	3	2.5	2	1.8	-	-
Quebec	11	18.2	5	4.3	15	70.6	8	20.6
Ontario	57	121.2	54	92.5	21	35.0	26	54.9
<i>Prairies</i>	17	20.5	29	89.2	8	22.3	12	11.2
Manitoba	4	4.0	6	23.6	4	8.0	3	2.2
Saskatchewan	5	7.2	7	26.8	1	8.4	1	2.0
Alberta	8	9.3	16	38.8	3	6.0	8	7.0
British Columbia	6	48.7	6	7.3	10	13.2	2	2.2
More than One Province	1	0.9	2	1.3	-	-	-	-
Federal	8	33.1	15	58.8	11	29.1	9	22.9
Public Sector								
CANADA	77	191.7	66	200.7	32	49.7	31	56.2
<i>Atlantic</i>	4	2.7	2	5.2	3	2.0	1	0.9
Newfoundland	2	1.4	2	5.2	-	-	-	-
Prince Edward Island	1	0.6	-	-	-	-	1	0.9
Nova Scotia	1	0.6	-	-	2	1.5	-	-
New Brunswick	-	-	-	-	1	0.6	-	-
Quebec	3	3.9	1	2.0	3	2.8	5	17.1
Ontario	45	101.3	32	66.1	14	17.0	14	18.8
<i>Prairies</i>	15	16.0	17	76.9	7	21.0	8	8.3
Manitoba	4	4.0	5	22.9	3	6.6	1	0.7
Saskatchewan	5	7.2	3	22.4	1	8.4	1	2.0
Alberta	6	4.8	9	31.6	3	6.0	6	5.6
British Columbia	5	48.2	4	6.2	1	0.6	2	2.2
More than One Province	-	-	-	-	-	-	-	-
Federal	5	19.7	10	44.4	4	6.3	1	9.0
Private Sector								
CANADA	28	54.2	53	63.1	39	125.0	28	57.0
<i>Atlantic</i>	1	0.6	6	5.1	3	2.5	1	0.5
Newfoundland	1	0.6	2	1.9	1	0.6	-	-
Prince Edward Island	-	-	1	0.7	-	-	-	-
Nova Scotia	-	-	-	-	1	0.7	1	0.5
New Brunswick	-	-	3	2.5	1	1.2	-	-
Quebec	8	14.3	4	2.4	12	67.9	3	3.4
Ontario	12	20.0	22	26.4	7	18.0	12	36.2
<i>Prairies</i>	2	4.5	12	12.3	1	1.4	4	3.0
Manitoba	-	-	1	0.7	1	1.4	2	1.6
Saskatchewan	-	-	4	4.4	-	-	-	-
Alberta	2	4.5	7	7.2	-	-	2	1.4
British Columbia	1	0.6	2	1.2	9	12.6	-	-
More than One Province	1	0.9	2	1.3	-	-	-	-
Federal	3	13.4	5	14.5	7	22.8	8	14.0

Table D

Major Wage Settlements, by Public and Private Sectors,
by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.	Agmts.	Dur.	Empls.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(Months)	(000's)	(%)	(%)
1979	317	24.3	756.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	34.9	243.9	1.7	377	32.6	809.8	0.9
1997	221	30.2	371.3	1.1	160	38.0	324.1	1.8	381	33.8	695.4	1.5
1998	219	31.0	646.1	1.6	177	34.3	270.8	1.8	396	32.0	916.9	1.6
1999	206	35.1	498.3	1.9	148	38.6	299.3	2.6	354	36.4	797.6	2.2
* Year to Date												
Quarter												
1996 I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
III	48	28.8	81.4	0.5	49	29.0	64.9	1.8	97	28.9	146.3	1.1
IV	39	30.9	76.2	0.8	35	38.8	86.0	2.0	74	35.1	162.2	1.5
1997 I	53	29.7	89.1	1.0	30	35.8	40.4	2.2	83	31.6	129.5	1.3
II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.5
III	34	31.0	44.6	0.8	41	38.2	90.7	1.5	75	35.8	135.2	1.3
IV	62	33.1	138.8	1.6	29	50.8	45.9	1.8	91	37.5	184.7	1.7
1998 I	45	36.4	97.0	1.9	23	33.6	38.3	2.3	68	35.6	135.3	2.0
II	55	31.7	157.9	1.7	70	27.9	110.7	1.6	125	30.2	268.6	1.7
III	51	33.2	185.9	1.2	51	40.8	84.0	1.7	102	35.5	269.9	1.4
IV	68	25.9	205.3	1.7	33	39.5	37.8	1.9	101	28.0	243.1	1.7
1999 I	77	32.5	191.7	1.3	28	38.7	54.2	2.2	105	33.9	245.9	1.5
II	66	37.8	200.7	2.4	53	41.4	63.1	2.4	119	38.6	263.8	2.4
III	32	36.4	49.7	2.4	39	37.2	125.0	2.3	71	36.9	174.7	2.3
IV	31	33.7	56.2	2.1	28	38.5	57.0	3.7	59	36.1	113.3	2.9

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empls. - Number of Employees

Table E
Selected Economic Indicators,
by Year and Quarter

	1997	1998	1999	1999			
				1	2	3	4
Wage Settlements (%)	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Public Sector (%)	1.1	1.6	1.9	1.3	2.4	2.4	2.1
Private Sector (%)	1.8	1.8	2.6	2.2	2.4	2.3	3.7
Agreements in Force (%)	1.2	1.7	1.6	1.8	1.7	1.5	1.5
Public Sector (%)	0.9	1.3	1.3	1.4	1.4	1.3	1.2
Private Sector (%)	1.8	2.3	2.2	2.5	2.2	1.9	2.0
Consumer Price Index Per Cent Change ¹	1.6	0.9	1.9	0.8	1.6	2.2	2.4
GDP ² at Factor Cost ³ Per Cent Change ¹	4.1	2.9	4.0	3.1	3.7	4.7	4.6
Labour Productivity (%)	2.0	1.3	0.5	-0.1	0.3	0.9	1.4
Unit Labour Cost (%)	1.0	1.5	-1.4	-0.5	-1.1	-1.3	-2.0
Unemployment Rate ³ (%)	9.1	8.3	7.6	7.9	7.8	7.6	7.0
Employment (000's) ³	13,774	14,140	14,531	14,395	14,484	14,532	14,690
Per Cent Change ¹	1.9	2.7	2.8	2.9	2.8	2.6	2.7
Average Weekly Earnings ³	\$ 598.26	\$ 606.31	\$ 610.68	\$ 606.07	\$ 608.67	\$ 611.93	\$ 616.04
Per Cent Change ¹	2.1	1.3	0.7	-0.2	0.4	1.1	1.3
Average Hourly Earnings	\$ 14.87	\$ 15.12	\$ 15.34	\$ 15.39	\$ 15.28	\$ 15.20	\$ 15.47
Per Cent Change ¹	1.1	1.7	1.4	1.9	0.5	1.6	1.8

¹ Per cent change from the same period of the previous year.

² GDP – Gross domestic product at factor cost (1992) prices.

³ Seasonally adjusted data.

Table D

Major Wage Settlements, by Public and Private Sectors,
by Year and Quarter

Year	Public Sector				Private Sector				All Sectors			
	Agmts.	Dur.	Empis.	Avg. Adj.	Agmts.	Dur.	Empis.	Avg. Adj.	Agmts.	Dur.	Empis.	Avg. Adj.
	(Months)	(000's)	(%)	(Months)	(000's)	(%)	(Months)	(000's)	(Months)	(000's)	(%)	(%)
1979	317	24.3	758.0	9.5	252	27.2	387.0	11.1	569	25.3	1,142.9	10.0
1980	325	26.0	919.4	10.9	233	27.5	298.8	11.7	558	26.3	1,218.2	11.1
1981	290	18.9	577.6	13.1	210	27.3	323.4	12.6	500	21.9	901.0	13.0
1982	319	14.6	865.1	10.4	189	25.2	282.2	9.5	508	17.2	1,147.3	10.2
1983	458	19.6	1,241.6	4.6	200	25.0	302.8	5.5	658	20.6	1,544.3	4.8
1984	277	17.0	637.4	3.9	282	26.1	518.8	3.2	559	21.1	1,156.2	3.6
1985	316	21.7	566.8	3.8	200	30.1	271.8	3.3	516	24.5	838.6	3.7
1986	322	25.4	711.2	3.6	231	26.0	410.2	3.0	553	25.6	1,121.5	3.4
1987	270	29.4	824.3	4.1	208	31.4	287.0	3.8	478	29.9	1,111.3	4.0
1988	301	24.0	698.6	4.0	241	27.2	484.1	5.0	542	25.3	1,182.7	4.4
1989	295	30.0	737.6	5.2	158	28.5	264.2	5.2	453	29.6	1,001.8	5.2
1990	283	27.4	677.8	5.6	224	29.7	468.5	5.7	507	28.4	1,146.4	5.6
1991	365	16.0	1,121.7	3.4	182	29.2	224.0	4.4	547	18.2	1,345.6	3.6
1992	302	21.7	977.3	2.0	194	32.2	329.5	2.5	496	24.3	1,306.8	2.1
1993	347	23.4	1,012.0	0.6	171	25.2	400.5	0.8	518	23.9	1,412.5	0.7
1994	299	26.5	719.8	0.0	135	34.5	222.8	1.2	434	28.4	942.6	0.3
1995	216	31.5	630.9	0.6	186	35.8	277.9	1.4	402	32.8	908.8	0.9
1996	213	31.6	565.9	0.5	164	34.9	243.9	1.7	377	32.6	809.8	0.9
1997	221	30.2	371.3	1.1	160	38.0	324.1	1.8	381	33.8	695.4	1.5
1998	219	31.0	646.1	1.6	177	34.3	270.8	1.8	396	32.0	916.9	1.6
1999	206	35.1	498.3	1.9	148	38.6	299.3	2.6	354	36.4	797.6	2.2

* Year to Date

Quarter

1996 I	51	43.6	120.5	0.2	32	33.4	46.3	1.3	83	40.8	166.8	0.5
II	75	27.6	287.9	0.6	48	37.5	46.6	1.6	123	29.0	334.5	0.7
III	48	28.8	81.4	0.5	49	29.0	64.9	1.8	97	28.9	146.3	1.1
IV	39	30.9	76.2	0.8	35	38.8	88.0	2.0	74	35.1	162.2	1.5
1997 I	53	29.7	89.1	1.0	30	35.8	40.4	2.2	83	31.6	129.5	1.3
II	72	26.1	98.8	0.8	60	34.5	147.1	1.9	132	31.1	246.0	1.5
III	34	31.0	44.6	0.8	41	38.2	90.7	1.5	75	35.8	135.2	1.3
IV	62	33.1	138.8	1.6	29	50.8	45.9	1.8	91	37.5	184.7	1.7
1998 I	45	36.4	97.0	1.9	23	33.6	38.3	2.3	68	35.6	135.3	2.0
II	51	31.7	157.9	1.7	70	27.9	110.7	1.6	125	30.2	268.6	1.7
III	51	33.2	185.9	1.2	51	40.8	84.0	1.7	102	35.5	269.9	1.4
IV	68	25.9	205.3	1.7	33	39.5	37.8	1.9	101	28.0	243.1	1.7
1999 I	77	32.5	191.7	1.3	28	38.7	54.2	2.2	105	33.9	245.9	1.5
II	66	37.8	200.7	2.4	53	41.4	63.1	2.4	119	38.6	263.8	2.4
III	32	36.4	49.7	2.4	39	37.2	125.0	2.3	71	36.9	174.7	2.3
IV	31	33.7	56.2	2.1	26	38.5	57.0	3.7	59	36.1	113.3	2.9

Agmts. - Number of Agreements
 Avg. Adj. - Average Annual Adjustment
 Dur. - Average Agreement Duration
 Empis. - Number of Employees

Table E

Selected Economic Indicators,
by Year and Quarter

	1997	1998	1999	1999			
				1	2	3	4
Wage Settlements (%)	1.5	1.6	2.2	1.5	2.4	2.3	2.9
Public Sector (%)	1.1	1.6	1.9	1.3	2.4	2.4	2.1
Private Sector (%)	1.8	1.8	2.6	2.2	2.4	2.3	3.7
Agreements in Force (%)	1.2	1.7	1.6	1.8	1.7	1.5	1.5
Public Sector (%)	0.9	1.3	1.3	1.4	1.4	1.3	1.2
Private Sector (%)	1.8	2.3	2.2	2.5	2.2	1.9	2.0
Consumer Price Index Per Cent Change ¹	1.6	0.9	1.9	0.8	1.6	2.2	2.4
GDP ² at Factor Cost ³ Per Cent Change ¹	4.1	2.9	4.0	3.1	3.7	4.7	4.6
Labour Productivity (%)	2.0	1.3	0.5	-0.1	0.3	0.9	1.4
Unit Labour Cost (%)	1.0	1.5	-1.4	-0.5	-1.1	-1.3	-2.0
Unemployment Rate ³ (%)	9.1	8.3	7.6	7.9	7.8	7.6	7.0
Employment (000's) ³	13,774	14,140	14,531	14,395	14,484	14,532	14,690
Per Cent Change ¹	1.9	2.7	2.8	2.9	2.8	2.6	2.7
Average Weekly Earnings ³	\$ 598.26	\$ 606.31	\$ 610.68	\$ 606.07	\$ 608.67	\$ 611.93	\$ 616.04
Per Cent Change ¹	2.1	1.3	0.7	-0.2	0.4	1.1	1.3
Average Hourly Earnings	\$ 14.87	\$ 15.12	\$ 15.34	\$ 15.39	\$ 15.28	\$ 15.20	\$ 15.47
Per Cent Change ¹	1.1	1.7	1.4	1.9	0.5	1.6	1.8

¹ Per cent change from the same period of the previous year.² GDP – Gross domestic product at factor cost (1992) prices.³ Seasonally adjusted data.

TECHNICAL NOTES

The information in this report is produced from collective agreement settlements in Canada which cover 500 or more employees in all industries. A few settlements are excluded where the basis of payment is on a piece/mileage rate basis.

The construction industry is excluded prior to 1983.

The Base Rate

The base rate is the lowest paid classification used for qualified workers in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this is not the case in contracts covering only skilled workers and professional employees.

As only the base rate in a contract is used, the resulting data on percentage change do not necessarily reflect the average wage change for all workers in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents per hour (or other money terms), measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where varying percentage or money increases are negotiated for different classifications, measurement on the base rate may produce results that are higher or lower than measurement on the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

Effective Wage Increase

The effective wage increase is the increase in rates of pay including estimated cost-of-living allowance (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation rate for the remainder of the contract duration. In

succeeding quarters, these estimates are revised using actual CPI values as they become available.

In the current report, an inflation projection of 2 per cent has been used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts and is intended for illustrative purposes only and does not constitute an official forecast by Human Resources Development Canada. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Public and Private Sectors

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is by reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities".

While the criteria relate to the classification of the public sector only, *the private sector is defined by exclusion.*

Public sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The distinction between the two is whether the activity engaged in is "non-commercial" (Government) or "commercial" (Government Business Enterprise).

Government (Non-Commercial)

The government component comprises all non-commercial entities controlled by governments and mainly financed out of general taxation or other public

funds. These entities provide goods and/or services free or at non-market prices (not having a view to profit).

Sub-sectors of the government component are identified below:

(1) Federal Government

Collective bargaining in the Federal Government component is conducted under the *Public Service Staff Relations Act* (Parts 1 and 2), and the *Parliamentary Employment and Staff Relations Act*.

(2) Provincial and Territorial Governments

- (a) provincial and territorial government administration;
- (b) health, education and social services agencies or institutions:
 - (i) public hospitals,
 - (ii) provincial residential care facilities,
 - (iii) universities,
 - (iv) colleges, vocational and trade institutions,
 - (v) social services business enterprise,
 - (vi) provincial elementary and secondary schools.

(3) Local Government Administration

- (a) local government organizations such as: municipalities, boards, commissions;
- (b) school boards;
- (c) social services: establishments at the local level primarily engaged in providing basic domiciliary care only, such as homes for the aged, blind or senile, boarding houses for the aged, day nurseries, shelters, etc.

Government Business Enterprise (Commercial)

The commercial component of the public sector is divided into three broad sub-groupings, based on degree

of governmental control, as follows:

(1) Direct Control

A commercial enterprise is directly controlled by a government if one of the following conditions is met:

- (a) a government holds more than 50 per cent of its voting equity, directly;
- (b) a government has irrevocable options or the right to acquire shares, or convertible debt or equity, exercisable at the discretion of that government.

(2) Effective Control

A commercial enterprise is effectively controlled by a government if one of the following conditions is met:

- (a) the government holds a significant voting ownership in a public enterprise, where "significant" is understood as:
 - (i) the holding is the largest block of voting equity; and
 - (ii) the holding exceeds 33.3 per cent of the voting equity; and
 - (iii) the block is larger than the combined percentage of the next two largest blocks;
- (b) the commercial enterprise declares that it is effectively controlled by a government;
- (c) there exists a method or variety of methods (e.g. significant voting ownership of the enterprise, technological agreements, supply controls or contracts, management contracts, interlocking directorships, etc.)

(3) Indirect Control

A business enterprise is indirectly controlled by a government if that government directly or effectively controls a government business enterprise, which in turn directly or effectively controls that enterprise.

SECTION 2

EXPIRIES AND REOPENERS OF MAJOR COLLECTIVE AGREEMENTS IN APRIL, MAY AND JUNE 2000

Note: Reopeners listed may be negotiated for wage provisions¹ and/or other provisions²

The full 2000 Calendar of Major Collective Agreement Expiries and Reopeners will soon be available on the Workplace Information Directorate Web Site at: <http://labour-travail.hrdc-drhc.gc.ca/doc/wid-dimt/eng/expree.cfm>

Company and Location	Union and Occupation	Number of Employees	Industry
APRIL 2000			
QUEBEC			
Johnson & Johnson Products Inc., Montréal	Communications, Energy and Paperworkers Union of Canada (CLC) (hourly rated employees)	500	Manufacturing
ONTARIO			
Budd Canada Inc., Kitchener	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	1,340	Manufacturing
Electrical Power Systems Construction Association, province-wide	Various construction unions (construction trades - all)	1,000	Construction
Kellogg Canada Inc., London	American Federation of Grain Millers (AFL-CIO/CLC) (plant and maintenance employees)	600	Manufacturing
Loblaws Supermarkets Limited, Nepean and Gloucester	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	1,400	Trade
TRW Canada Limited, Linkage and Suspension Division, St. Catharines	Thompson Products Employees Assn. (Ind.) (plant and maintenance employees)	800	Manufacturing
BRITISH COLUMBIA			
² Workers' Compensation Board of British Columbia, province-wide	Compensation Employees Union (Ind.) (office, clerical and technical employees)	2,400	Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MORE THAN ONE PROVINCE			
Air Canada, system-wide	Air Canada Pilots Association (Ind.) (pilots)	2,100	Transportation
Finning (Canada), Division of Finning International Ltd., province-wide, B.C. territory-wide, Y.T.	Intl. Assn. of Machinists and Aerospace Workers (AFL-CIO/CLC) (service, maintenance and warehouse employees)	900	Trade
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (computer operators)	7,600	Public Administration
NDT Management Association, Canada-wide (excl. Que.)	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (AFL-CIO/CFL) and Intl. Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO/CFL) (technical employees)	1,200	Services
Pipe Line Contractors Association of Canada, Canada-wide	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (truck drivers and warehouse employees)	500	Construction
Pipe Line Contractors Association of Canada, Canada-wide	Intl. Union of Operating Engineers (AFL-CIO) (operating engineers)	2,000	Construction
Pipe Line Contractors Association of Canada, Canada-wide	Laborers' Intl. Union of North America (AFL-CIO/CLC) (labourers and rodmen)	2,000	Construction
Pipe Line Constructors Association of Canada, Canada-wide	United Assn. of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (AFL-CIO/CFL) (plumbers and pipefitters)	600	Construction

MAY 2000

QUEBEC

Cleyn and Tinker Inc., Huntingdon	United Textile Workers of America (AFL-CIO/CLC) (plant and maintenance employees)	500	Manufacturing
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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
QUEBEC (continued)			
Université du Québec à Chicoutimi, Chicoutimi	Fédération nationale des enseignantes et des enseignants du Québec (CNTU) (instructors, tutors and lecturers)	620	Services
Université de Montréal, Montréal	Syndicat général des professeurs de l'Université de Montréal (Ind.) (professors)	1,510	Services
Université du Québec à Montréal, Montréal	Cdn. Union of Public Employees (CLC) (support employees)	1,450	Services
ONTARIO			
Bertrand Faure Components Ltd., Mississauga and Metropolitan Toronto	United Steelworkers of America (AFL-CIO/CLC) (production employees)	650	Manufacturing
Brock Telecom Limited, Brockville	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	870	Manufacturing
Inco Limited, Sudbury and Port Colborne	United Steelworkers of America (AFL-CIO/CLC) (smelting and refinery employees and plant and maintenance employees)	4,910	Primary
Mackie Automotive Systems, Whitby and Oshawa	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production employees)	750	Manufacturing
1 University of Ottawa, Ottawa	Assn. of Professors of the University of Ottawa (Ind.) (professors and librarians)	850	Services
MANITOBA			
Manitoba Hydro-Electric Board, province-wide	Intl. Brotherhood of Electrical Workers (AFL-CIO/CLC) (service and maintenance employees)	2,300	Other Utilities
ALBERTA			
City of Lethbridge, Lethbridge	Cdn. Union of Public Employees (CLC) (inside and outside employees)	610	Public Administration

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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MORE THAN ONE PROVINCE

Government of Canada, Canada-wide	Public Service Alliance of Canada (CLC) (correctional officers)	4,610	Public Administration
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JUNE 2000

NEW BRUNSWICK

Government of New Brunswick, province-wide	New Brunswick Nurses Union (Ind.) (nurses)	5,200	Services
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QUEBEC

Aluminerie de Bécancour inc., Bécancour	Fédération des syndicats du secteur Aluminium inc. (Ind.) (plant and maintenance employees)	790	Manufacturing
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CAE Electronics Ltd., St-Laurent	Communications, Energy and Paperworkers Union of Canada (CLC) (plant and maintenance employees)	750	Manufacturing
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1 Université Laval, Quebec	Cdn. Union of Public Employees (CLC) (office, clerical, technical and building maintenance employees)	1,500	Services
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1 Université Laval, Quebec	Fédération nationale des enseignantes et des enseignants du Québec (CNTU) (instructors, tutors and lecturers)	1,000	Services
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Prévost Car inc., Ste-Claire	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (plant and maintenance employees)	1,000	Manufacturing
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ONTARIO

Bombardier de Havilland Inc., Downsview	Natl. Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) (CLC) (production, office, clerical and technical employees)	3,400	Manufacturing
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Carleton University, Ottawa	Cdn. Union of Public Employees (CLC) (support employees)	600	Services
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Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
ONTARIO (continued)			
Cuddy Food Products, London	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (plant and maintenance employees)	890	Manufacturing
Durham District School Board, Whitby	Cdn. Union of Public Employees (CLC) (teaching assistants)	580	Services
Hastings and Prince Edward District School Board, Belleville	Cdn. Union of Public Employees (CLC) (service and maintenance employees)	700	Services
Loblaws Supermarkets Limited, province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	9,400	Trade
Metropol Security (Division of Barnes Security Services Ltd.), province-wide	United Steelworkers of America (AFL-CIO/CLC) (security guards)	1,500	Services
Peel District School Board, Mississauga	Cdn. Union of Public Employees (CLC) (library technicians)	620	Services
Peel District School Board, Mississauga	Cdn. Union of Public Employees (CLC) (service and maintenance employees)	700	Services
Peel District school Board, Mississauga	Elementary Teachers' Federation of Ontario (Ind.) (occasional teachers)	1,130	Services
Peel District School Board, Mississauga	Ontario Secondary School Teachers' Federation (CLC) (occasional teachers)	510	Services
Zehrs Markets, Division of Zehrmart Limited, province-wide	United Food and Commercial Workers Intl. Union (AFL-CIO/CLC) (retail employees)	5,040	Trade
MANITOBA			
Red River Community College, Winnipeg	Manitoba Government Employees' Union (CLC) (instructors, tutors, lecturers, office, clerical and technical employees)	850	Services
St. James-Assiniboia School Division No. 2, St. James-Assiniboia	Manitoba Teachers' Society (Ind.) (elementary and secondary teachers)	650	Services

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
MANITOBA (continued)			
Winnipeg School Division No. 1, Winnipeg	Manitoba Teachers' Society (Ind.) (elementary and secondary teachers and librarians)	2,740	Services
SASKATCHEWAN			
Board of Education of St. Paul's Roman Catholic School Division No. 20, Saskatoon	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	900	Services
Board of Education of the Regina School Division No. 4, Regina	Saskatchewan Teachers' Federation (Ind.) (elementary and secondary teachers)	1,480	Services
Saskatchewan Institute of Applied Science and Technology, province-wide	Saskatchewan Government and General Employees' Union (CLC) (administrative services employees)	580	Services
Saskatchewan Institute of Applied Science and Technology, province-wide	Saskatchewan Government and General Employees' Union (CLC) (instructors, tutors, lecturers and librarians)	1,000	Services
ALBERTA			
University of Alberta, Edmonton	Assn. of Academic Staff: University of Alberta (Ind.) (professors)	1,750	Services
BRITISH COLUMBIA			
Forest Industrial Relations Limited, Coast; Interior Forest Labour Relations Association, Southern Interior; Conifer (Council on Northern Interior Forest Employment Relations), Northern Interior; and Northwood Pulp and Timber Ltd., Houston, Fraser Region and Prince George	Industrial Wood and Allied Workers of Canada (CLC) (mill employees)	20,700	Manufacturing

Services - Community, Business and Personal Services

Company and Location	Union and Occupation	Number of Employees	Industry
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BRITISH COLUMBIA (continued)

Weldwood of Canada Limited, Cariboo Division, Quesnel; Weldwood of Canada Limited, Williams Lake Division, Williams Lake; and Weldwood of Canada Limited, 100 Mile House Operations, 100 Mile House	Industrial Wood and Allied Workers of Canada (CLC) (mill, office and clerical employees)	1,090	Manufacturing
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YUKON

Government of Yukon, territory-wide	Yukon Teachers Assn. (Ind.) (elementary and secondary teachers)	630	Services
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MORE THAN ONE PROVINCE

Cabano-Kingsway Transport Inc., province-wide, Ont., Que. and Maritimes	Intl. Brotherhood of Teamsters (AFL-CIO/CLC) (truck drivers, mechanics and warehouse employees)	900	Transportation
Canadian Broadcasting Corporation, Canada-wide	Assn. of Professionals and Supervisors of the Cdn. Broadcasting Corporation (Ind.) (supervisors)	590	Communications
Government of Canada, Canada-wide	Professional Institute of the Public Service of Canada (Ind.) (auditors)	8,980	Public Administration
NAV CANADA, Canada-wide	Public Service Alliance of Canada (CLC) (administrative and support employees)	950	Other Utilities
Professional Association of Canadian Theatres, Canada-wide	Cdn. Actors Equity Assn. (CLC) (stage entertainers)	4,300	Services

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SELECTED PROVISIONS IN MAJOR COLLECTIVE AGREEMENTS*

Organization of Working Time – Job Sharing, Flexible Hours and Overtime, Right to Refuse and Compensatory Leave – in Major Collective Agreements by Major Industry in Canada, in June 1988 and January 1998

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Introduction

For many working people today, maintaining a balance between their work and family responsibilities has become a growing concern. According to the Conference Board of Canada,¹ the percentage of working parents expressing difficulty in reconciling their work and family obligations has increased from 27 per cent to approximately 50 per cent of the labour force over a 10-year period. Other studies² have shown the need for employers to institute practices and policies which allow for greater harmonization of work and family responsibilities in order to recruit and retain employees, reduce absenteeism and increase productivity. The Government of Canada in its Speech from the Throne of October 12, 1999, has also made a commitment towards the implementation of more family-friendly policies, both as an employer as well as for those employers subject to the relevant federal legislation.

This first article, as part of a series of upcoming articles on **family-friendly provisions**, provides an overview of the changes that have taken place from 1988 to 1998 in working time provisions, and more specifically those provisions related to job sharing, flexible hours and overtime, including the right to refuse overtime and compensatory leave. The organization of working time clearly plays a key role in the reconciling of work and family responsibilities for a

large number of workers, including those with young children or caring for an aging parent, in that a reduction in hours of work and overtime as well as more flexible work schedules can provide a means of counterbalancing their work and personal obligations.

The following provides an overview of the change in the incidence of these provisions by major industry sector, followed by examples of specific clauses found in current collective agreements available from the Workplace Information Directorate's Collective Agreements Library.

Primary Industries

Statistical Analysis

It should first be noted that the number of major collective agreements in this sector has considerably decreased over the 10-year period.³ A total of 24 collective agreements covering 24,891 workers were in effect in 1988, as compared to only 15 collective agreements for 13,150 workers in 1998.

There has generally been very little change in the organization of working time provisions in this sector. In 1988, 51.3 per cent of employees were entitled to

* Major collective agreements are those covering 500 or more employees.

¹ MacBride-King, Judith L. and Kimberley Bachmann, *Solutions for the Stressed-Out Worker*, Ottawa: The Conference Board of Canada, 1999.

² Martinez, Michelle Neely, "The Proof is in the Profits: Why Top Companies Now View Family-Friendly Policies as a Competitive Tool", *Working Mother*, May 1997; Duxbury, L. and Higgins, C. *Work-Life Balance in Saskatchewan: Realities and Challenges*, August, 1998; Centre for International Statistics/Council on Social Development, *Work, Family and Community: Key Issues and Directions for Future Research*, Labour Program, HRDC, April 1999.

³ Collective agreements in effect in January 1988 and January 1998.

a compressed work week compared to 59.1 per cent of workers in 1998, while a majority of workers in both 1988 and 1998 had a conditional right to refuse overtime. A notably increased proportion of workers, however, were entitled to compensatory leave, from 16.6 per cent of workers in 1988 to 33.0 per cent in 1998.

Example

The collective agreement between the Hudson Bay Mining and Smelting Company and the United Steelworkers of America, Local 7106, provides for the **conversion of accumulated overtime hours into compensatory leave** in lieu of remuneration.

Manufacturing Sector

Statistical Analysis

Both the number of collective agreements and the number of workers in this sector have substantially decreased over the last 10 years. A total of 181 collective agreements covering 215,695 workers were in effect in 1988 compared to 133 collective agreements for 154,451 employees in 1998.

In this sector, nearly 1.2 per cent of workers were eligible for a job sharing provision in either year. However, the percentage of workers entitled to a compressed work week (with the employer's concurrence) increased from 9.0 per cent in 1988 to 20.5 per cent in 1998. There has also been a slight increase in the percentage of workers entitled to compensatory leave for overtime worked, from 14.5 per cent in 1988 to 20.6 per cent in 1998. In 1988 as in 1998, approximately 18.0 per cent of employees had an unconditional right to refuse overtime, while 70.0 per cent had a right to refuse under certain conditions.

Examples

Employees covered by the agreement between Connaught Laboratories Limited and Communications, Energy and Paperworkers Union of Canada, Local 1701, are eligible for a **job sharing** provision, whereby two employees performing similar duties, can share one full-time position in order to work part time.

In recognition of employee needs in terms of flexibility, employees are also entitled to a **flexible work schedule**. While conforming to the organization's operational requirements, employees may choose either fixed or variable start and finish times.

The agreement between Dairyworld Foods and the International Brotherhood of Teamsters, Local 464, provides for the **conversion of overtime worked into compensated time off** to a maximum of two weeks.

Construction Sector

Statistical Analysis

The sample for this sector has remained relatively the same over the period observed, with a total of 90,008 workers in 1988 compared to 91,641 workers in 1998.

Of note in this sector is the substantial increase in the percentage of employees with an unconditional right to refuse overtime. In 1988, only 22.6 per cent of workers had this entitlement as compared to 61.3 per cent in 1998.

Example

The collective agreement between l'Association de la construction du Québec and the coalition formed by the CPQMC-International and the FTQ-Construction provides for the **right to refuse overtime** which is assigned on a voluntary basis only and wherefore no employee is penalized for refusing to work overtime, except in an emergency situation as verified by the employer.

Transportation, Communications and Other Utilities

Statistical Analysis

The number of workers in this sector has grown from a total of 213,454 workers in 1988 to 263,877 employees in 1998.

The proportion of workers eligible for a job sharing arrangement increased from 0.2 per cent of employees in 1988 to 13.8 per cent in 1998. The percentage of workers entitled to a compressed work week (with

the employer's concurrence) also increased significantly from 13.9 per cent of employees in 1988 to 30.7 per cent in 1998. While the proportion of employees entitled to compensatory leave has also grown considerably from 73.6 per cent in 1988 to 89.1 per cent in 1998, it is particularly interesting to note that workers have increasingly more options available in terms of accumulated overtime, such as the transfer of overtime hours into a Registered Retirement Savings Plan, and the option of either being paid for and/or banking of overtime.

Examples

Full-time employees of Bell Canada represented by the Communications, Energy and Paperworkers Union of Canada, are eligible for **telework** when deemed appropriate by the organization. In this event, all related expenditures, such as for equipment and furniture, are assumed by the organization. Employees must also have access to an enclosed and safe working area which meets those standards established by the employer.

The agreement between AT&T and the National Automobile, Aerospace, Transportation and General Workers Union of Canada, Local 2000, provides for a **reduction in the hours of work**, if so desired, by employees with a newborn or recently adopted child.

The collective agreement between British Columbia Hydro and Power Authority and the Office and Professional Employees International Union, Local 378, allows for a **voluntary reduction in the weekly hours of work** from 37.5 to 35 hours with the option of continuing to work a 37.5 hour schedule and accumulating or being paid for an additional 17 days per year.

The agreement between Hydro-Québec and le Syndicat professionnel des ingénieurs d'Hydro-Québec inc. provides for a **flexible work schedule** whereby, employees may vary their hours of work while ensuring adherence to specified core hours.

Finance, Insurance and Real Estate

Statistical Analysis

The number of workers in this sector grew from a total of 72,254 workers in 1988 to 88,094 in 1998. Although the incidence of working time provisions has not varied

to the same extent as other sectors may have, some degree of change is nonetheless noted. For instance, the percentage of workers eligible for job sharing grew from 1.3 per cent in 1988 to 9.4 per cent in 1998. While approximately 16 per cent of workers in both years were entitled to compressed hours of work (with the employer's concurrence), 8.1 per cent of employees had an unconditional right to refuse overtime and 83.0 per cent had the right to refuse under certain conditions in 1988, whereas 15.2 per cent could unconditionally refuse overtime and 60.9 per cent under certain conditions only in 1998. The percentage of workers entitled to compensatory leave has remained relatively the same, with 32.4 per cent of workers in 1988 and 36.1 per cent in 1998.

Examples

The agreement between the Insurance Corporation of British Columbia and the Office and Professional Employees International Union, Local 378, provides for a number of provisions which address work and family balance. These include the eligibility for a **compressed work week, variable hours** and the possibility to **exchange shifts with other colleagues** within the same classification. The agreement also provides for **compensatory leave for overtime worked** as well as a **job sharing** option.

In addition to the greater flexibility afforded by the implementation of **job sharing and variable hours**, employees covered by the agreement between the Saskatchewan Crop Insurance Corporation and the Saskatchewan Public Service Union are now also eligible for **telework**. Among the prescribed conditions and procedures is the review of telework requests by the Occupational Safety Committee in order to identify potential hazardous situations. Regardless of telework being performed away from employer premises, the employer will nonetheless recognize those claims filed with the Workers Compensation Board and agrees to assume all reasonable costs associated with telework.

Community, Business and Personal Services

Statistical Analysis

The number of workers in this sector has grown from a total of 510,936 in 1988 to 627,137 employees in 1998. Meanwhile, the percentage of employees eligible for a job sharing arrangement nearly doubled

from 15.6 per cent in 1988 to 28.5 per cent in 1998. Between 18.0 per cent and 23.0 per cent of workers both in 1988 and 1998 were entitled to a compressed work week while the percentage of employees with an unconditional right to refuse overtime remained relatively the same, with 28.8 per cent of workers in 1988 and 24.1 per cent in 1998. The proportion of workers able to refuse overtime under certain circumstances increased from 15.8 per cent in 1988 to 23.6 per cent in 1998, whereas, compensatory leave was afforded to a substantially increased 79.2 per cent of workers in 1998, up from the 54.8 per cent of employees in 1988.

Example

Employees covered by the agreement between the Board of School Trustees of School District No. 61 (Greater Victoria) and Canadian Union of Public Employees, Local 947, are entitled to **flexible hours** as well as a maximum of 10 days of **compensatory leave for overtime worked**. In addition, indeterminate employees within the same classification are also eligible for **job sharing**, in accordance with specified conditions such as a duration of a minimum of four months and a maximum of one year.

Public Administration

Statistical Analysis

The number of workers in this sector has decreased from 481,215 in 1988 to 337,873 workers in 1998. The only notable change in this sector consists of the substantial increase in the percentage of workers eligible for job sharing, from a marginal 4 per cent of workers in 1988 to 39.3 per cent in 1998. As this

type of provision is normally seen as a form of employment security, in all probability, its growing incidence is attributable to the massive job cuts that have taken place over the last few years. No other notable change, as concerns other working time provisions, is noted.

Example

The agreement between the City of Montréal and the Syndicat des professionnels de la ville de Montréal et de la Communauté urbaine de Montréal provides employees with a distinctive **flexible work** arrangement in that the hours of work are distributed on an annual rather than weekly basis, with an annual requirement of 1,820 hours.

Conclusion

As illustrated by the above overview, the provision for job sharing has increased quite considerably for certain major industry sectors. This can be attributed to both the recognition of the need for work and family balance and the provision of job security measures during a period of major organizational restructuring. The opportunity of working from home is also increasingly negotiated, with in fact more prescribed conditions and procedures than in the past, where these provisions tended to be less standardized. The advent of newer technology also lends itself to these types of working arrangements. Provisions which allow for the conversion of overtime hours into compensated time off as well as increasingly diversified flexible work schedules with a variety of formulas are now customarily found in major collective agreements. It can therefore be concluded that provisions related to the organization of working time have progressed substantially during the period examined, which in turn has led to a greater equilibrium between work and family obligations.

The Workplace Information Directorate provides a variety of information on innovative workplace practices in each issue of the Workplace Gazette.

*For more information on workplace innovations, please contact
the Workplace Information Directorate directly at*

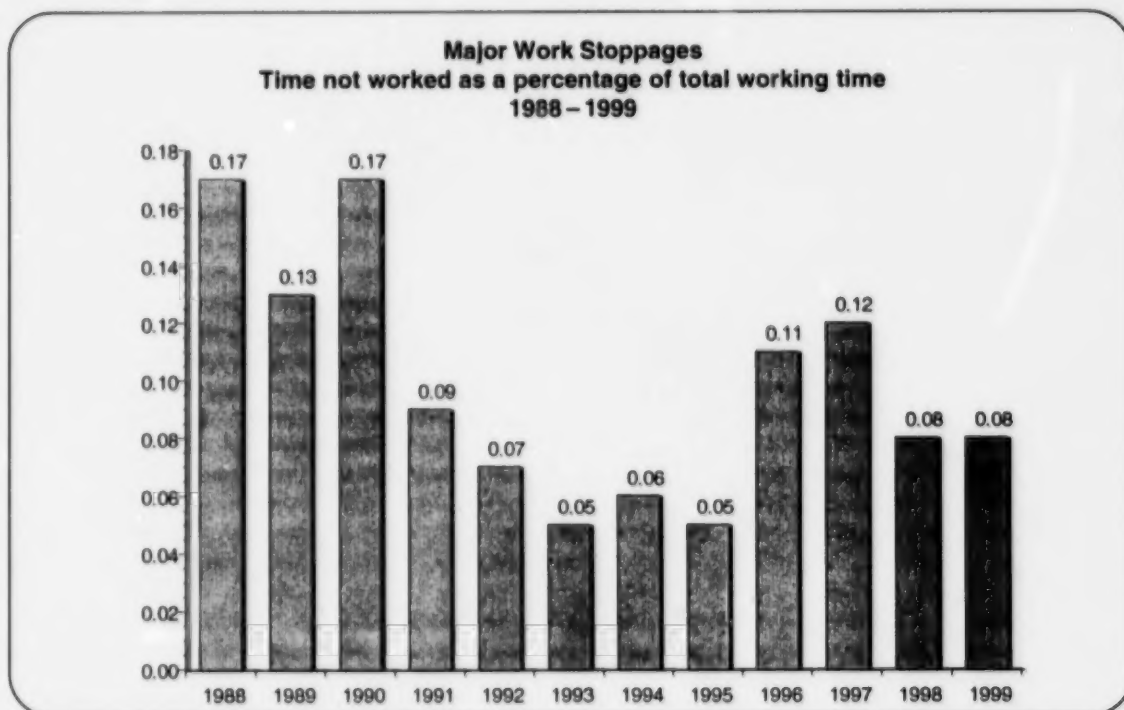
*1 800 567-6866 or (819) 997-3117
or visit our Internet site at <http://labour.hrdc-drhc.gc.ca/>*

WORK STOPPAGES* - THIRD QUARTER OVERVIEW - 1999 AND CHRONOLOGICAL PERSPECTIVE

Work Stoppages, Labour Organizations and Collective Agreement Analysis Section
Workplace Information Directorate
Labour Program, Human Resources Development Canada

Summary

- Time not worked as a result of strikes and lockouts in 1999 amounted to 2,498,581 person-days. This total is lower than the 1989-1998 average of 2,751,896 person-days lost
- The number of workers involved in labour disputes in 1999 totalled 158,288, that is lower than the previous 10-year average of 223,414 workers
- There were 324 work stoppages in 1999, compared with the 1989-1998 annual average of 341 stoppages
- The value of 15.8 person-days not worked per worker involved in disputes in 1999, is higher than the previous 10-year average of 13.2 days
- Eight major work stoppages occurring during 1999 accounted for approximately 37 per cent of the total person-days not worked



Source: Workplace Information Directorate

* Involving one or more employees.

- A strike by 9,500 **Bell Canada** employees in Ontario and Quebec, accounted for 220,500 person-days not worked in 1999, approximately 9 per cent of the year total. The main issues were wages and job security
- The strike of 1,500 **Hydro-Québec** technicians, trades and office employees represents 150,000 person-days not worked in 1999, which is approximately 6 per cent of the total number of person-days lost of the year total. Once again, wages were the main issue
- Three strikes with the **Toronto District School Board** involving a total of 14,000 Canadian Union of Public Employees workers accounted for 140,000 person-days not worked in 1999, approximately 5.6 per cent of the year total
- Two other work stoppages exceeded the 100,000 person-days not worked level in 1999 which are the **Government of Quebec** nurses strike by 4,750 employees and the lockout at **MTS Communications Inc.** in Manitoba in which 1,400 employees have participated. The strikes have respectively reached 104,500 and 103,000 person-days not worked
- Three other work stoppages together accounted for approximately 8.6 per cent of the total person-days lost during 1999, as follows: **Government of Canada**, 1,600 employees across the country; **various British-Columbia medical facilities**, 6,500 practitioners, province-wide; and finally, **Inco Ltd.** of Manitoba, 1,060 employees

Table 1

Work Stoppages by Jurisdiction – 1999

Jurisdiction	Ongoing during the Fourth Quarter, 1999			Cumulative to December 31, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Newfoundland	4	561	1,280	16	6,224	60,100
Prince Edward Island	-	-	-	-	-	-
Nova Scotia	6	1,370	16,700	18	2,591	66,160
New Brunswick	1	10	150	8	2,745	24,215
Quebec	52	7,382	78,034	142	27,064	692,306
Ontario	57	7,314	136,700	137	47,809	675,060
Manitoba	2	1,145	55,590	7	1,704	86,400
Saskatchewan	2	205	12,540	8	21,253	77,930
Alberta	5	558	12,230	11	3,957	40,750
British Columbia	22	7,811	47,920	48	22,383	246,120
More Than One Province	-	-	-	-	-	-
Total Provinces	151	26,356	361,144	395	135,730	1,969,041
<i>Canada Labour Code - Part I</i>	4	5,680	30,740	13	20,153	438,630
Federal Administration	-	-	-	3	2,405	90,910
Federal Total	4	5,680	30,740	16	22,558	529,540
Total	155	32,036	391,884	411	158,288	2,498,581

Source: Workplace Information Directorate

Table 2
Work Stoppages by Industry - 1999

Industries	Ongoing during the Third Quarter			Cumulative to December 31, 1999		
	Stoppages	Workers Involved	Person-Days Not Worked	Stoppages	Workers Involved	Person-Days Not Worked
Primary Industries	4	1,536	75,030	16	4,689	268,930
Manufacturing	56	6,511	128,200	128	25,878	513,942
Construction	4	392	400	8	1,014	6,420
Transportation, Communication and Other Utilities	13	8,477	47,810	43	36,215	685,540
Trade and Finance	25	957	21,620	56	2,920	118,405
Community, Business and Personal Services	44	12,879	88,154	124	81,544	695,154
Public Administration	9	1,284	30,670	36	6,028	210,190
Various Industries	-	-	-	-	-	-
Total	155	32,036	391,884	411	158,288	2,498,581

Source: Workplace Information Directorate

Table 3
Largest Work Stoppages - 1999

Employer	Union	Main Issue(s)	Workers	Person-Days Not Worked
Bell Canada, province-wide, Ont. and Que.	CEP	wages and job security	9,500	220,500
Hydro-Québec, province-wide, Que.	CUPE	wages	1,500	150,000
Toronto District School Board, Toronto, Ont.	CUPE	wages and job security	14,000	140,000
Government of Québec, province-wide, Que.	Fédération des infirmiers(ères) du Québec	wages and working conditions	4,750	104,500
MTS Communications Inc., province-wide, Man.	CEP	subcontracting	1,400	103,000
Government of Canada, Canada-wide	PSAC	wages	1,600	86,420
Various Medical Facilities, province-wide, B.C.	Unorganized	job security	6,500	65,000
Inco Ltd., Thompson, Man.	Steelworkers	wages and other issues	1,060	64,350

Source: Workplace Information Directorate

IMPORTANT NOTE CONCERNING THE FOLLOWING PAGES

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Table 4
Work Stoppages – A Chronological Perspective

Period	Number beginning year or month	in existence during year or month*			% of Estimated working time
		Total Number	Workers involved	Person-days not worked	
1989	568	627	444,747	3,701,360	0.13
1990	519	579	270,471	5,079,190	0.17
1991	399	463	253,334	2,516,090	0.09
1992	353	404	149,940	2,110,180	0.07
1993	323	381	101,784	1,516,640	0.05
1994	312	374	80,856	1,606,580	0.06
1995	282	328	149,159	1,583,061	0.05
1996	297	330	281,816	3,351,820	0.11
1997	229	284	257,664	3,610,206	0.12
1998	349	380	244,367	2,443,836	0.08
1999	356	411	158,288	2,498,581	0.08
1998					
December	22	81	21,865	135,300	0.05
1999					
January	14	69	26,920	128,660	0.05
February	24	77	17,425	155,060	0.06
March	37	100	39,828	388,082	0.15
April	37	99	54,132	382,740	0.15
May	31	100	21,153	214,860	0.08
June	41	107	17,858	193,260	0.07
July	27	99	21,042	301,645	0.11
August	27	94	11,902	177,235	0.07
September	31	102	16,482	170,155	0.06
October	27	95	10,619	122,730	0.05
November	31	91	15,715	154,130	0.06
December	29	90	15,951	115,024	0.04

* Refers to work stoppages which began during the year or month as well as those carried over from the previous year or month.

Source: Workplace Information Directorate

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Source: Workplace Information Directorate

TECHNICAL NOTES

Data on work stoppages collected by the Workplace Information Directorate of the Labour Program of Human Resources Development Canada covers strikes and lockouts which amount to 10 or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A strike will be declared illegal if it does not respect the applicable laws. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during the negotiating process.

Developments leading to work stoppages are sometimes too complex to make it practicable to distinguish between strikes on the one hand and lockouts on the other.

The major characteristics of work stoppages on which information is gathered are:

Employer – Firm or firms employing the workers reported on strike or locked out.

Location – Location of the plant or premises at which the work stoppage occurred.

Industry – Industry of employer according to the Standard Industrial Classification, Statistics Canada (Revised 1970).

Union – The workers' organization(s) directly involved or concerned in the dispute that led to work stoppage.

Workers Involved – The total number, or approximate total number, of workers reported on strike or locked out, whether or not they all belonged to the union directly involved in the dispute that led to work stoppage. Where the number of workers involved varied in the course of the stoppage, the maximum number is used in tabulating annual or other totals. (Where a stoppage commenced in a previous year, the maximum number during the whole stoppage is

the number used). Monthly totals are similarly based on the highest figures but allowance is made for changes reported in stoppages extending over two or more months. The total number of workers shown may include the same workers more than once if they are involved in more than one work stoppage during the year (or other reference period). Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on workers involved.

Starting Date – The day on which the work stoppage began.

Termination Date – For work stoppages that are terminated by mutual agreement, the termination date is the day on which work was resumed. Where normal operations could not be resumed shortly after the employees agreed to return, the day on which they were available for work is regarded as the termination date. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the workers involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the work stoppage would not be resumed.

Duration – The duration of each stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week).

Duration in Person-Days – Duration in working days multiplied by the number of workers involved. For work stoppages involving establishments in which the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. Variations in the number of workers involved in the course of a stoppage are also taken into account in the calculation as far as practicable. The data on duration of work stoppages in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended as a

measure of the loss of production time to the economy. The expression "Time loss" is occasionally used instead of "duration in person-days". The term most commonly used is person-days not worked due to the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid workers in Canada obtained from the Labour Force Survey of Statistics Canada.

Jurisdiction – Statistics on work stoppages are also classified according to jurisdiction. This is done on the basis of the government and those businesses

covered by Part 1 of the *Canadian Labour Code* whose industrial relations statistics are applicable to the establishment involved in the dispute. (The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province, except where the Federal jurisdiction is involved.)

The data reflect all work stoppages that have come to the notice of Workplace Information Directorate, and meet the criteria defined above, e.g., minimum person-days. The methods used to secure this information are believed to be adequate to preclude the possibility of major omissions.

UNION MEMBERSHIP IN CANADA - 1999

Workplace Information Directorate

Labour Program, Human Resources Development Canada

Based on a union survey of labour organizations in Canada with units of 50 or more members, as of January 1999, union membership stood at 4,010,400. This represented an increase of 72,600 from a 10-year low of 3,937,800 in 1998. The following tables cover unions with largest membership, membership by congress affiliation, national-international composition and size, type of union and affiliation and the Canadian Labour Congress membership by affiliation. Also included, are lists of structure and affiliation changes, new union names and a new union.

Table 1

Unions with Largest Membership, 1998-1999

	Membership (000s)	
	1998	1999
Canadian Union of Public Employees (CLC)	389.3	461.8
National Union of Public and General Employees (CLC)	309.0	309.0
National Automobile, Aerospace, Transportation and General Workers Union of Canada (CLC)	222.5	215.0
United Food and Commercial Workers International Union (AFL-CIO/CLC)	200.0	200.0
United Steelworkers of America (AFL-CIO/CLC)	180.0	200.0
Communications, Energy and Paperworkers Union of Canada (CLC)	144.3	144.3
Public Service Alliance of Canada (CTC)	142.3	142.3
Fédération de la santé et des services sociaux (CSN)	97.0	97.0
International Brotherhood of Teamsters (AFL-CIO/CLC)	94.0	93.0
Fédération des syndicats de l'enseignement (CEQ)	82.6	82.6
Service Employees International Union (AFL-CIO/CLC)	81.5	81.5
Elementary Teachers' Federation of Ontario (Ind.)	-	62.2
Laborers' International Union of North America (AFL-CIO/CLC)	60.0	60.0
International Brotherhood of Electrical Workers (AFL-CIO/CLC)	56.4	57.0
United Brotherhood of Carpenters and Joiners of America (AFL-CIO/CLC)	56.0	56.0
Canadian Union of Postal Workers (CLC)	52.9	54.8
International Association of Machinists and Aerospace Workers (AFL-CIO/CLC)	49.2	50.0
Syndicat de la fonction publique du Québec (Ind.)	47.8	47.7
Fédération des infirmières et infirmiers du Québec (Ind.)	47.5	47.5
Ontario Secondary School Teachers' Federation (CLC)	49.5	46.0
British Columbia Teachers' Federation (Ind.)	44.6	45.0
Ontario Nurses' Association (Ind.)	40.0	45.0
Industrial Wood and Allied Workers of Canada (CLC)	45.0	43.5

continued

Table 1 (continued)

	Membership (000s)	
	1998	1999
International Union of Operating Engineers (AFL-CIO)	40.0	40.0
Fédération des employés et employés de services publics inc. (CSN)	36.5	37.4
Hotel Employees and Restaurant Employees International Union (AFL-CIO/CLC)	36.2	36.6
United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (AFL-CIO/CLC)	35.8	35.8
Professional Institute of the Public Service of Canada (Ind.)	27.7	35.1
Alberta Teachers' Association (Ind.)	30.9	30.9
Ontario English Catholic Teachers' Association (CLC)	35.8	30.0
Office and Professional Employees International Union (AFL-CIO/CLC)	30.0	30.0
Fédération du commerce inc. (CSN)	26.0	30.0
Union of Needletrades, Industrial and Textile Employees (AFL-CIO/CLC)	30.0	30.0

Source: Workplace Information Directorate

Table 2**Union Membership by Congress Affiliation, 1998-1999**

Congress Affiliation	1998		1999	
	Membership	%	Membership	%
CLC	2,626,740	66.7	2,759,510	68.8
(AFL-CIO/CLC)	1,090,000	27.7	1,065,370	26.6
CLC only	1,536,740	39.0	1,694,140	42.2
CSN	242,830	6.2	242,920	6.1
AFL-CIO only	82,510	2.1	30,030	0.7
CEQ	113,510	2.9	113,860	2.8
CSD	73,070	1.9	71,300	1.8
CCU	17,020	0.4	15,380	0.4
Unaffiliated International Unions	230	0.0	380	0.0
Unaffiliated National Unions	637,270	16.2	635,390	15.8
Independent Local Organizations	144,610	3.7	143,150	3.6
Total	3,937,790	100.0	4,011,920	100.0

Note: Due to rounding, sums may not always equal totals.

Source: Workplace Information Directorate

Table 3**National - International Composition of Unions**

Type of Union	1998		1999	
	Number	%	Number	%
	Union			
National	231	22.4	230	22.3
International	48	4.7	47	4.6
Other ¹	752	72.9	754	73.1
Total	1,031	100.0	1,031	100.0
	Membership (000s)			
National	2,556	64.9	2,615	65.2
International	1,177	29.9	1,194	29.8
Other ¹	204	5.2	203	5.1
Total	3,938	100.0	4,012	100.0

Note: Due to rounding, sums may not always equal totals.

¹ Includes directly chartered unions and independent local organizations (see Table 5).

Source: Workplace Information Directorate

You can access the electronic Directory of Labour Organizations,
including the unions' internet sites when provided

http://labour.hrdc-drhc.gc.ca/doc/wid-dimt/eng/dlo-rott_search/index.cfm

Table 4

International and National Unions by Size, 1998-1999

Membership Range	International Unions		National Unions		Total	
	1998	1999	1998	1999	1998	1999
Under 999 1,000 - 9,999 10,000 - 29,999 30,000 - 49,999 50,000 - 99,999 100,000 and over	Unions					
	6	8	86	84	92	92
	19	15	101	105	120	120
	10	11	23	20	33	31
	6	5	12	12	18	17
	5	6	4	5	9	11
	2	2	5	5	7	7
Total	48	47	231	231	279	278
Under 999 1,000 - 9,999 10,000 - 29,999 30,000 - 49,999 50,000 - 99,999 100,000 and over	Membership (000s)					
	1	1	35	34	36	35
	73	54	346	361	419	414
	154	169	388	314	542	483
	221	172	489	475	710	647
	348	398	289	360	637	757
	380	400	1,009	1,074	1,389	1,474
Total	1,177	1,194	2,556	2,618	3,733	3,810

Note: Due to rounding, sums may not always equal totals.

Source: Workplace Information Directorate

Table 5

Union Membership by Type of Union and Affiliation, 1999

Type and Affiliation	Unions	Locals	Membership	
			Number	%
International Unions	47	2,715	1,193,830	29.8
(AFL-CIO/CLC)	33	2,552	1,065,370	26.6
CLC only	4	71	98,050	2.4
AFL-CIO only	7	78	30,030	0.7
Unaffiliated Unions	3	14	380	0.0
National Unions	230	13,410	2,615,140	65.2
CLC	59	7,039	1,595,290	39.8
CSN	9	2,409	242,920	6.1
CEQ	15	277	113,860	2.8
CCU	9	38	15,380	0.4
CSD	2	95	12,300	0.3
Unaffiliated Unions	136	3,552	635,390	15.8
Directly Chartered Unions	400		59,800	1.5
CSD	390		59,000	1.5
CLC	10		800	0.0
Independent Local Organizations	354		143,150	3.6
Total	1,031	16,125	4,011,920	100.0

Note: Due to rounding, sums may not always equal totals.

Source: Workplace Information Directorate

Table 6

CLC Membership by Affiliation, 1998-1999

Type and Affiliation	1998		1999	
	Membership	%	Membership	%
International Unions	1,094,240	41.7	1,163,420	42.2
(AFL-CIO/CLC)	1,090,000	41.5	1,065,370	38.6
CLC only	4,240	0.2	98,050	3.6
National Unions	1,532,500	58.3	1,596,090	57.8
CLC only	1,531,700	58.3	1,595,290	57.8
Directly Chartered Local Unions	800	0.0	800	0.0
Total	2,626,740	100.0	2,759,510	100.0

Note: Due to rounding, sums may not always equal totals.

Source: Workplace Information Directorate

1 — Structure and Affiliation Changes to International and National Unions

The American Federation of Grain Millers (AFL-CIO) merged with the Bakery, Confectionery and Tobacco Workers International Workers Union (AFL-CIO/CLC) to form The Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (AFL-CIO/CLC), as of January 1st 1999.

The International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (AFL-CIO) joined the CLC in December 1998.

The International Union of Operating Engineers (AFL-CIO) joined the CLC.

The Professional Student Services Personnel (Ind.) joined the CLC.

The Newfoundland and Labrador Nurses' Union (Ind.) joined the CLC.

The Association of Canadian Film Craftspeople (Ind.) joined the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada (AFL-CIO/CLC), during the month of January 1999

The Transportation Communications International Union (AFL-CIO/CLC) joined the United Steelworkers of America (AFL-CIO/CLC), as of February 5, 1999.

The Canadian Marine Officers' Union (Ind.) joined AFL-CIO/CLC

2 — Name Changes Old Name/ New Name

Fédération des policiers du Québec (Ind.) / Fédération des policiers et policières du Québec (Ind.)

Ontario Liquor Board Employees' Union (NUPGE) / Ontario Liquor Boards Employees' Union (NUPGE)

Association of Professional Student Services Personnel (Ind.) / Professional Student Services Personnel (CLC)

Atlantic Oil Workers (CCU) / Atlantic Oil Workers' Union (CCU)

Syndicat construction Côte-Nord (Ind.) / Syndicat québécois de la construction (Ind.)

Fédération du personnel des établissements d'enseignement Privé (CEQ) / Fédération du personnel de l'enseignement privé (CEQ)

Communication workers of America (AFL-CIO/CLC) / The Newspaper Guild Canada/Communication workers of America (AFL-CIO/CLC)

International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada (AFL-CIO/CLC) / International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada (AFL-CIO/CLC)

Professional Association of Interns and Residents of Alberta (Ind.) / Professional Association of Residents of Alberta (Ind.)

Fédération des professionnels et professionnelles salarié(e)s et des cadres du Québec (CSN) / Fédération des professionnèles (CSN)

3 — New Union in Part 1

The United Paperworkers International Union (AFL-CIO/CLC) and the Oil, Chemical, Atomic and Energy Workers International Union (AFL-CIO) merged to form the Paper, Allied-Industrial, Chemical and Energy Workers International Union (AFL-CIO/CLC) as of January 4, 1999

Source: Workplace Information Directorate

SECTION 3

INNOVATIVE WORKPLACE PRACTICES

Céline Laporte

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Although fewer major collective bargaining settlements were ratified over the past few months (41 settlements), the incidence of innovative practices reported remains nonetheless commensurate with that of past ratios, that is, for slightly more than one third of the total settlements (14 of the 41 settlements).

Duration

The average contract duration of **33.9 months** for the 41 recent settlements represents a slight decrease compared to the average duration of 36.6 months for settlements reached in 1999 to date (from January to November 1999).

Nearly half of the agreements (18 of the 41 settlements) were renewed for a period of 36 months, with the remainder evenly distributed between a scheduled expiry of 24 months or less and a term of 48 months or more. Two settlements extend over a period of 72 months, namely, the renewal agreement in Nova Scotia's pulp and paper industry and Bridgestone/Firestone Canada Inc. in Quebec, while a number of school board agreements in Ontario, Manitoba and Alberta are scheduled to expire within 24 months or less.

Labour-Management Committees

While bearing in mind the reduced number of settlements reviewed (41 settlements), the trend in introducing new or innovative practices by way of a joint committee is less prevalent in these recent contracts than as was reported in the past. Only 5 of the 14 recent settlements citing an innovative practice contain a reference to these joint committees, whereas generally, this practice is referred to in approximately 50 per cent of settlements reporting a workplace innovation.

These committees will be initiating discussion on issues such as, ergonomics, labour relations training and education, teamwork and teacher workload, class size and pupil-teacher ratios.

Labour Relations

A 72-month renewal agreement between Bridgestone/Firestone Canada Inc. and the Fédération de la métallurgie was recently reached through an **interest-based bargaining** approach. This process is considered to have been beneficial to both parties involved.

Organization of Work

The single settlement reporting a new practice which affects the organization of work, provides for a **workload review** at the request of graduate teaching assistants with the University of Western Ontario, in order to ensure that assigned duties are appropriate to their work schedule.

Compensation and Working Conditions

The majority of settlements citing a workplace innovation (9 of the 14 settlements), contain initiatives dealing with compensation and working conditions. These include:

- a new **work environment** provision in two agreements with Nova Scotia teachers whereby, abusive acts by pupils against a teacher will not be tolerated. The two school boards involved have committed to responding in an expeditious, comprehensive and appropriate manner should such situations occur or when other breaches of discipline take place;

- a commitment to close the **pay equity** wage gap by July 2001, in the settlement between Newtel Communications, Newtel Mobility and the Communications, Energy and Paperworkers Union of Canada, Local 410, by granting additional increases to the basic hourly rates of pay on July 1, 1999, 2000 and 2001;
- a provision for **greater flexibility in leave for religious observance** purposes in the settlement between the Government of Canada and the Professional Institute of the Public Service of Canada;
- and the **recognition of same-sex partners** as contained in the Government of Canada settlement, and the renewal agreement between the District of Saanich and the Canadian Union of Public Employees, Local 374.

Training and Development

Seven of the 14 settlements include new initiatives related to training and development. Among these are the establishment of a **training fund**, provided as a job security measure and set at a minimum of \$250,000 per year, to assist employees of Newtel Communications and Newtel Mobility in **pursuing new career opportunities**, and a number of **professional development funds** for various school boards in Alberta and Nova Scotia.

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AN EXTREMELY FRAGILE PARTNERSHIP IN A PLANT THREATENED WITH CLOSURE – THE CASE OF THE KÉNOGAMI PAPER MILL

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and

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A prime example of work reorganization in the early 1990s, the case of Abitibi-Price's Kénogami paper mill illustrates how the unions affiliated with the Confédération des syndicats nationaux went on the offensive in the organization of work during this period. In addition, the case shows the vicissitudes of participation and partnership in a plant under constant threat of closure. Head office had promised substantial investment for nearly 10 years. In the hope of securing the mill's future, all the local players rallied to the cause to varying degrees, working to improve the mill's performance and introducing various innovations in work organization and labour relations. Eventually, the mill became part of a new consortium when the parent company merged with another paper industry giant. The plant remained in operation, but parts of it were closed, leading to another substantial loss of jobs and the temporary or permanent suspension of partnership and participation. Thus, partnership and participation, which had been both sought and imposed, sometimes even without the union's agreement, did not result in significant advances in the democratization of work and were relatively short-lived.

This study covers the period from 1989 to 1997 and took place between 1993 and 1997.¹ It focuses on how participation and partnership initiatives affect work organization and labour relations. Special attention is given to the change process and the strategies of the unions and local management.

An Old Plant in Crisis, Threatened with Closure

Established by Price in 1912, the Kénogami paper mill in Saguenay-Lac St-Jean was acquired by Abitibi-Price when Price amalgamated with Abitibi Paper in 1974. Before its recent merger with Stone-Consolidated, Abitibi-Price was a multinational

that employed nearly 7,000 workers and had sales of \$2.78 billion in 1995. The Kénogami paper mill was then the only plant producing supercalendered paper in the entire Abitibi-Price group. Equipped with four old paper machines that produced a total of 243,000 metric tonnes in 1995, it employed 807 workers, including 81 managers. The employees were represented by three unions: the Confédération des syndicats nationaux, representing the 438 tradespeople and general workers (assigned to the pulp shops and associated services), who accounted for 60 per cent of all unionized employees; the Communications, Energy and Paperworkers Union, representing the 243 paperworkers; and the Office and Professional Employees International Union, representing the 45 office employees.

The Kénogami paper mill captured the market for supercalendered paper in the mid-1980s, when Abitibi-Price decided to invest \$200 million in a project whereby it would acquire two state-of-the-art paper machines, a move designed to guarantee the plant's long-term survival. The project had two phases: the first, which was carried out immediately, consisted of modernizing a machine that was already in operation; the second phase involved purchasing and introducing a new machine. The latter phase never came to fruition, despite head office's promises and the efforts of the local players. The purchase was put off from one year to the next and was eventually dropped when the company merged with Stone-Consolidated in 1997. In fact, shortly after Abitibi-Price announced it would be buying a new machine, the market began to level off and management decided to postpone the planned investment. The organizational climate at the mill was at an all-time low because of repeated walkouts in the previous few years, high rates of absenteeism and work accidents, and extremely low productivity. The workers affiliated with the Confédération des syndicats nationaux were involved in seven labour disputes in

¹ This study led to a master's dissertation, under the supervision of Paul-André Lapointe: MALO, François Bernard, 1997, *Compromis social et performances de l'entreprise*, Industrial Relations Department, Université Laval. This research was made possible by financial assistance from Human Resources Development Canada, the Social Sciences and Humanities Research Council and the Fonds pour la formation de chercheurs et l'aide à la recherche.

the 1970s and 1980s, including a nine-month strike in 1980 and a two-week illegal strike in 1986. The productivity figures were no more encouraging: in comparable mills, one worker produced an average of two tonnes of paper per day, whereas at Kénogami it took two workers to produce a single tonne! The mill was nicknamed "the home of the paper warriors." In addition, in 1989, the mill posted an operating deficit of \$4 million. Head office called on the plant's local players to improve their performance rapidly, or else the mill would be closed. If the workers and local management were able to improve results sufficiently, head office would consider making a major investment that would ensure the mill's future. In the decade that followed, numerous efforts were made, a host of strategies devised, various participation and partnership initiatives attempted and many plans developed. This history is recounted and analyzed below.

Recovery Plan and Origin of Partnership (1989-93)

In response to the ultimatum from headquarters, negotiations began at the local level. They focused on relaxing the plant rules, with a view to introducing greater flexibility in the trades. In exchange, the workers obtained guarantees that this flexibility would not result in layoffs and that the reduction in jobs would be achieved through retirements. The age at which workers were eligible for retirement was lowered to 58.

Management invited the unions to help develop a strategic plan to secure the mill's future. A strategic committee was formed in 1990, consisting of the presidents of the three unions and local management representatives. Various scenarios, each requiring a different investment, were presented to management at the company's headquarters in Toronto. But, to obtain head office's approval of any investment, the members of the strategic committee also had to report on the improvement in the mill's performance.

The investments and the mill's performance are intricately linked: Logically, for jobs to be protected and the mill to survive, there had to be a substantial improvement in performance, so that head office would invest in the most favourable scenario. This rationale was used to justify union involvement in the strategic committee and the efforts of workers on the shop floor. Put more simply, the message was: "We'll get the investment we deserve, and it will depend on our

performance." At a workers' meeting called to present the various investment scenarios, local management used the metaphor of an old car, a new top-of-the-line model and a supersonic jet to describe the options. The most powerful means of transportation represented the best scenario. The message was clear: for the best scenario to become a reality, workers had to improve their performance.

Some people, including the then president of the union affiliated with the *Confédération des syndicats nationaux*, viewed union participation in the strategic committee as an extension of the role of organized labour and as a means for labour to provide input into the strategic management of the company. But management had quite a different goal when it invited the union representatives to help develop strategic plans and investment scenarios. It was hoping to make the union representatives more aware of business strategies and the economic and financial sides of production. Management wanted the unions to gain a better understanding of business decisions and to develop a "business sense," as one general manager of the mill put it. By sitting on the strategic committee and helping to measure performance, the union representatives would have a clearer idea of the need to improve that performance. Union participation would also lend legitimacy to the efforts to improve performance and to the extensive plant recovery and workforce reduction plan that management wanted to implement immediately.

During the first period of partnership, between 1989 and 1993, 301 jobs were lost, representing 26.5 per cent of the workforce. Productivity jumped 54 per cent. In the absence of any technological change, partnership translated into a much heavier workload for employees. At the same time, all the indicators of quality (number and cost of complaints) and efficiency (rate of use of paper machines) rose significantly. There were no substantial organizational changes. Although negotiated on paper, trades flexibility did not actually become a reality on the shop floor, except in special circumstances and on the evening and night shifts. As well, there was no clear direction to the organizational changes that did take place. In fact, in the paper machines sector, developments took a turn that went against the idea of greater autonomy for employees. In a move to achieve better control over production, management made the position of head operator of the upgraded paper machine a supervisory position. Other indicators of the organizational climate also improved significantly: the number of grievances per year for all

unions dropped from 153 to 52 and the number of time-loss injuries decreased from 128 to 93.

Although performance improved considerably, there was still no investment. In 1992, management demanded even more by asking the unionized workers to accept another plant recovery and work reorganization plan that would introduce greater flexibility. This agreement was ratified by only 52 per cent of the employees affiliated with the Confédération des syndicats nationaux. When the upcoming union election was held, the union president, who had been in favour of the proposed partnership and had sat on the strategic committee, was not re-elected. The new president wanted to review the union strategy. At the same time, a new general manager, who had made a name for himself introducing partnership in another area plant, was appointed to head the mill.

Limited Organizational Innovations and Uncertainties of the Partnership (1993-1997)

This period was marked by a change in strategy by the main union affiliated with the Confédération des syndicats nationaux. Faced with headquarters' refusal to invest in the mill despite its improved performance, which had meant more work and fewer jobs, the union president withdrew from the strategic committee and refused any form of partnership with local management. The unions affiliated to the Communications, Energy and Paperworkers Union and the Office and Professional Employees International Union remained on the committee and continued to work closely with the new local management, which was more proactive and enterprising than the previous management had been. Various innovations were introduced and the strategic committee was maintained. When the Confédération des syndicats nationaux-affiliated union refused to take part, local management did not hesitate to go directly to the employees and recruit members for both the strategic committee and other committees that were set up.

Local management introduced two major innovations during this period: semi-autonomous work teams for trades and quality improvement groups. These innovations were introduced unilaterally as the mill had no joint management committee and the strategic committee clearly did not play such a role.

Semi-autonomous teams were formed quickly and with no consultation of the welders and tinsmiths group, comprised of approximately fifty workers who belonged to the Confédération des syndicats nationaux-affiliated union. Overnight, with no warning, the foremen were removed from the shops in question, and some of them were laid off immediately. Their responsibilities were turned over in part to the workers, who with no preparation or initial training were organized into seven teams of seven or eight workers each. Two co-ordinator positions, assigned to supervisors chosen by management, were also created to manage the work teams. They then inherited the responsibilities that the teams did not want or were unable to assume. An analysis of the operation of these teams reveals that the autonomy of the workers definitely increased, in that they now planned their own work and were responsible for health and safety and other aspects of human resources management (vacations, absences and training), purchasing of material, evaluation of work done for in-house clients and assessment of team members' performance. However, this autonomy, which varied depending on the team, was effectively limited by the co-ordinators' control, the evaluation of results and the in-house clients, who requisitioned the work and assessed its quality and the time required to do it. These teams, moreover, covered only a fraction of the workers, fewer than 10 per cent. Plans to increase the number of teams did not go ahead, and the original set-up remained unchanged.

The other organizational innovation introduced during the period was the formation of project or quality improvement groups. Under the leadership of the Director of Human Resources, this initiative, which took the form of joint committees, was introduced amid much confusion, judging from the comments of the workers and union representatives. The status of these groups, their position on the organization chart, their make-up and their number gave rise to contradictory interpretations. Bearing different names, depending on their mandate, and made up of supervisors and workers selected by management from volunteers, they were formed to resolve a specific problem. Once the problem was resolved, they were disbanded. Sometimes the co-ordination of these groups was the responsibility of unionized workers, who were released from their regular duties to devote themselves to the group's work. This "liberation" was viewed as a significant improvement in status and working conditions. A former president of the Confédération des syndicats nationaux-affiliated union and the current president of the same union both

co-ordinated the work of an embellishment committee, which had a budget of \$350,000. Apparently about twenty of these committees were established during this period. Apart from Human Resources and its director, no other body co-ordinated these project groups; it is therefore difficult to evaluate their impact. Undoubtedly they contributed to a significant improvement in performance, by drawing on the know-how and expertise of the workers in resolving problems relating to quality and efficiency, and they certainly also helped promote industrial peace and improve the mill's overall performance.

As a result of its refusal to participate and management's circumvention strategy, the Confédération des syndicats nationaux-affiliated union was left out in the cold. In the fall of 1995, the union executive reacted by proposing a true partnership project focusing on greater democracy at work. It proposed the establishment of a policy and action committee with equal worker and management representation. The committee's mandate would primarily be to ensure the mill's survival and development, within the limits of the specific or joint responsibilities defined by the parties. This committee was also to be responsible for co-ordinating other project groups and committees; the members of these groups and committees would be named by each of the parties, and consensus would be the decision-making technique. Submitted to local management, the proposal was never really subject to negotiation. It was in fact rejected. In the meantime, the union elections in November 1995 brought in a new president, who was closer to local management and who agreed to return to the strategic committee and take part in the various participation initiatives. He himself even became co-ordinator of a project group, the embellishment committee. The following summer, a partnership agreement was signed by the presidents of the three unions. Separate from the collective agreement, it contained the following general principles:

- Develop a win-win approach in labour relations and adopt interest-based bargaining;
- Manage strategic plan together;
- Develop and implement a world-class work attitude by jointly identifying and implementing changes required in the organization of work while minimizing the negative impact on employees;
- Mobilize all employees through a joint, ongoing and efficient communication plan based on transparency,

the release of joint messages and innovative ways of mobilizing employees;

- Establish operational objectives and a common vision;
- Draw up a human resources development plan that emphasizes competence and promotes employee participation and innovation, with a view to creating a fulfilling work environment that will increase productivity; and
- Analyze all opportunities for the parties to become business partners.

This agreement did not, however, address the structure of partnership and participation. It left intact the distribution of powers and responsibilities as defined in the management rights clause in the collective agreement. It was thus more easily circumvented when Abitibi-Price merged with Stone-Consolidated and a new recovery plan was implemented.

During this period (1993-97), performance continued to improve, although at a slower pace than in the previous period. Employment levels also remained the same, up until the final recovery plan imposed in 1997.

Final Recovery Plan

In early 1997 there was an unexpected setback relating to the planned investments. The workers had worked very hard, pinning their hopes on the various scenarios that union representatives had submitted to Toronto. The employees then learned that the plan to purchase a new paper machine, which they were counting on to secure their future, would not be going ahead. Basing its refusal to invest in a new machine on the drop in demand for paper in North America and lower paper prices, company management asked the Kénogami employees to submit another proposal. They did not, however, have time to submit any sort of new proposal because a few months later, Abitibi-Price merged with Stone-Consolidated to form Abitibi-Consolidated, becoming the largest newsprint producer in the world.

Despite the economies of scale achieved with the merger of the two large companies, no investments were confirmed. In August 1997, management of the new company announced the shutdown of two small machines and one in the pulp department.

When the collective agreements between the company and the workers represented by the Communications, Energy and Paperworkers Union were renegotiated, Abitibi-Consolidated demanded that these workers withdraw from bargaining in concert with the other unions; otherwise, if there were a strike it would shut down the mill. It agreed to invest \$130 million in modernizing the facility if an agreement were signed for eight years, during which time the workers would give up the right to strike, agree to the loss of approximately 250 jobs and allow the company to use contracting-out on a large scale. With much reluctance, the workers finally agreed to the recovery plan. In view of the more or less total failure of their efforts, since they were unable to get a survival proposal accepted, the workers realized that the existence of partnership and participation was irreparably compromised. In November 1997, there was another change in the leadership of the Confédération des syndicats nationaux-affiliated union: the president was replaced because the union members felt that he was too cosy with local management. This meant a return to traditional labour relations based on an arm's-length relationship.

Analysis

Local management, in agreement with head office, proposed a partnership without power to the unions. Its aim was to make the union representatives realize the precariousness of the mill's and the company's economic and financial position and the need to improve performance accordingly. Management did not respect the efforts of the Confédération des syndicats nationaux-affiliated union, which, having questioned its involvement in a process that was not having the hoped-for results, endeavoured to put forward its own point of view and develop another form of partnership that would represent true participation in decision making. By circumventing the union and refusing its partnership proposals, management helped to weaken and divide it. The union representatives thus found themselves in a very uncomfortable position.

If, in the absence of an independent point of view, they agreed to take part in a partnership without power, they risked merely rubber-stamping management's decisions, thus becoming management's mouthpiece and promoters of its plans to the workers. The risk of co-opting was very high. If management's plans had a positive impact on employment and the mill's survival, the union leaders' position would be less uncomfortable. Otherwise, they would be considered

too close to management and incapable of defending the members' interests. If they refused to take part and the situation improved, all the credit would go to management. If the situation worsened, they would be seen as contributing to the deterioration. This explains the high turnover of union leaders (five presidents in 10 years) and the instability of their positions. However, this high turnover did not lead to the establishment of a strong and enlightened leadership that could have gained acceptance for another type of partnership and participation.

The constant threats of shutdown and the frequently invoked urgency of the situation accorded a lot of power to local management and even led to abuses such as the failure to respect union positions and the circumvention of a union that refused to participate. This situation was definitely not conducive to making relations between those involved democratic.

Without a democratic process, union involvement in management was mere tokenism. This involvement was all the more fragile when the desired results were not achieved. Despite the significant improvement in performance, the continuous postponement of promised investments severely discredited the participatory process.

It must be noted that the three unions present in the mill were incapable of forming a common front and taking a united stand to redefine the terms of participation and go beyond the powerless involvement proposed and implemented unilaterally by management. This lack of unity helped strengthen management's positions and did little to encourage management to share the power.

After nearly 10 years of efforts, the improvement in performance is remarkable. Labour productivity doubled between 1989 and 1995, with no technological change and very little organizational innovation. This shows just how powerful threats of shutdown can be as an incentive to accept increased workloads.

Lastly, participation and partnership proved to be short-lived, even after 10 years of effort and experimentation. With no institutionalized process, the company's senior management still had a great deal of power, while the workers and their unions had no real power at all. Consequently, participation and partnership, introduced unilaterally, are extremely fragile.

WORK REORGANIZATION IN THE MONTRÉAL URBAN COMMUNITY (MUC) WASTEWATER TREATMENT PLANT

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This case study presents an example of labour-management co-operation in the management of work organization at the Montréal Urban Community's wastewater treatment plant between 1994 and 1999. This partnership experiment, based on a joint problem-solving process, has generated an improvement in productivity and in labour relations as well as a reduction in production costs. It is the result of a management initiative dating back to 1992-93 that was inspired by a model used at Hydro-Québec in the early 1990s. Union participation in the management of work organization, which has been in place since 1994, has led to increased employee satisfaction. According to one union representative met during this study, there are still reservations about the union-management partnership among the membership, but the union's approach has never been challenged.

This study covers the conditions that favoured union involvement in work reorganization, the implementation processes, the problems encountered, the main organizational changes made and the factors that helped further the experiment during the period studied. The material used for this case study includes various management and union documents, the agreements between the parties, and information collected during interviews conducted in June and July 1999 with the director and a union representative at the treatment plant. The union representative is now vice-president of the Syndicat des cols bleus regroupés de Montréal (Local 301 – Canadian Union of Public Employees).

1 — Main Characteristics of the Plant

The wastewater treatment plant is a semi-public company funded by the Montréal Urban Community. Taking up over two square kilometres, it is located at the eastern end of the Island of Montréal. According to the plant director, it is one of the biggest wastewater treatment plants currently in operation in the world, with state-of-the-art technology. The construction, equipment installation and operational start-up costs are estimated at close to \$1.4 billion.

The plant opened in 1984, and operations were gradually phased in. Sludge recovery and treatment started in 1987-88, but the plant did not begin intercepting all the wastewater from the Montréal Urban Community until 1995. Previously, the tonnes of waste carried by the 180 sewer networks on the Island were dumped directly into the St. Lawrence River and Rivière-des-Prairies.

The wastewater treatment plant is a service company whose mission is to intercept and treat all the wastewater from the Montréal Urban Community, in order to help improve waterways, preserve natural resources and reclaim waste. In addition, it treats certain external residues, mostly cleared snow, on a user-pay basis. Thus each year the plant recovers more than 300,000 tonnes of solids, 1,000 tonnes of phosphorus and 14,000 tonnes of sand from winter spreading.

Since it treats half the province's wastewater, the treatment plant plays a strategic role in improving the quality of the environment in Quebec. It employs 180 blue-collar workers represented by the Syndicat des cols bleus regroupés de Montréal, Local 301, affiliated with the Canadian Union of Public Employees; 60 white-collar workers represented by the Syndicat des cols blancs de Montréal, Local 501, also affiliated with the Canadian Union of Public Employees; as well as 40 non-unionized managers. The blue- and white-collar workers negotiate at separate tables and have separate collective agreements. Two categories of workers represented by the Syndicat des cols bleus – the operators and the maintenance employees – ensure that the wastewater treatment process runs smoothly. The treatment plant's production system is automated and the technology used is comparable to that of a large manufacturing plant. The plant intercepts and treats an average of 2.5 million cubic metres of wastewater per day, and its maximum capacity is 88 cubic metres per second. This dirty wastewater is clear again when it leaves the plant and is poured into the St. Lawrence.

The treatment plant's operating budget was \$44 million in 1998. Salaries account for \$18 million of this amount, and variable costs related to electricity, natural gas, chemicals, and parts and equipment account for about \$21 million. With the increase in productivity resulting from the efforts of all employees involved in plant operations and the improvements made in the treatment of wastewater, savings of \$8.5 million per year in operating costs have been made since 1994. Management has therefore been able, over the last five years, to control the increase in the tax burden on member municipalities of the Montréal Urban Community by optimizing staff levels and reducing variable costs, and has reduced working hours without staff increases. During the same period, the plant has recorded a 60 per cent decrease in work injuries and absenteeism, saving \$150,000 annually.

The employer and blue-collar union representatives interviewed for this study believe that since the 1994 union-management partnership agreement, labour relations and communications have improved significantly. The number of grievances decreased from 40 per year from 1990 to 1993 to one or two from 1994 to 1998, and no grievance has gone to arbitration since 1994. This agreement opened the door to a major change in labour relations, as a decade of conflicts had characterized the management of the plant after its opening in 1984. There have been ongoing negotiations between the parties since 1994 that have led to numerous agreements on specific issues.

2 — Strategic Choices

According to the employer and blue-collar union representatives interviewed in 1999, the main reasons behind the decision to embark on a process of problem resolution and joint management of work organization in 1994 were the deterioration of labour relations and a desire to improve the plant's credibility with the public. Negative media coverage had resulted from a complete stoppage of operations in 1989. To correct the situation on both these fronts, the two parties sought to improve labour relations, quality of service and productivity. They say that these changes were necessary and that their main objectives were reached without increasing contracting out.

In 1992 and 1993, the current director of the treatment plant, who had arrived to head the company in 1991, organized a number of sessions for his management team to meet with Hydro-Québec. That utility had successfully introduced organizational

changes in the early 1990s within the framework of an agreement between the employer and the union. Using this experiment as a base, management opted for a strategy of partnership and problem-solving with the union and the employees. According to the director, the implementation of partnership at the treatment plant was negotiated in order to clarify certain grey areas. The main issues during the 1994 bargaining round were the relaxation of the contracting-out clause, negotiation of a long-term collective agreement, an increase in productivity, establishment of a partnership where labour relations would be based on problem-solving, and gradual introduction of a four-day, 35-hour work week without additional costs for the Montréal Urban Community.

The labour-management partnership process started after plant management engaged a facilitator, whose main role was to bring the two parties together to negotiate the renewal of the collective agreement in a climate of mutual trust. There was a major strategic shift during preparations for the 1994 bargaining round, when the parties recognized their common interests and the mutual benefits that could come from setting up new labour relations practices.

The work reorganization project initiated in early 1995 was helped by the improvement in labour relations resulting from the partnership agreement with the blue-collar workers' union and the implementation of structures for union-management co-operation. To improve efficiency and productivity in the plant, management wanted to reduce spending on energy and chemicals and lower all other variable costs. As the staff was made up of two union groups, the solutions varied according to the locals involved. A transparent process and the participation of all employee groups became constant concerns for management, and a joint management approach was adopted, particularly with the blue-collar workers' union.

3 — The Organizational Change Process

After a decade of difficult labour relations at the treatment plant, management and union representatives embarked on a co-operative approach to the management of work organization in 1994. This joint approach came out of a shared desire to put new labour relations practices in place and reflected the importance the employer placed on realizing their common objectives.

The collective agreement with the blue-collar workers of the Montréal Urban Community was renewed for a period of seven years in October 1994. In addition to annual wage increases, it included the implementation of a problem-solving process, improvements to service quality, flexibility in work organization and a gradual reduction in hours of work to 35 hours over four work days. The agreement also stipulated that no change in work organization would be made without prior approval by both parties, which allowed management and union representatives to gradually put in place the structures needed for experimenting with new forms of work organization. They developed a new approach to the management of labour relations, each party informing the other of changes likely to improve production efficiency and worker motivation.

The parties also agreed to create a joint central committee on labour relations in order to give concrete expression to their common commitment. This committee is still active; it consists of five management representatives and five union representatives, three of whom come from the Montréal Urban Community. The tasks currently assigned to the committee are primarily oriented toward the implementation of teamwork and problem-solving.

The mandate of the central committee included four phases:

- The first phase was to identify the conditions necessary for the proper functioning of the committee, to determine operating rules that would promote decision-making by consensus and to plan problem-solving training for members of the committees and working groups. An external consultant was hired to develop and implement the training program.
- The second phase consisted of setting up, at the level of the Montréal Urban Community, four work organization committees for the 'operations', 'maintenance', 'technical support' and 'police' groups. Each committee is responsible for co-ordinating the activities of its members and approving and implementing recommendations.
- The third phase was the evaluation of all procedures related to making time available for union activities and resolving complaints and grievances in order to promote a process where problems are resolved at the source.

- In the fourth phase, the parties identified the main elements of the Montréal Urban Community's business plan and the problem areas that flowed from it. They also provided for the creation of ad hoc working groups comprising management and union representatives that would have specific objectives defined by the Central Labour Relations Committee.

The recommendations of the working groups that have an impact on the collective agreement or labour relations are discussed by the central committee. If necessary, they can be the subject of specific agreements with each of the unions involved to amend the collective agreement, after ratification by the appropriate authorities of each of the parties.

In recent years, joint committees on continuous quality improvement were set up for production and maintenance, and all their members were trained in a structured method of process improvement. Management staff, union executives and two thirds of the employees were trained in the problem-solving process. Despite substantial gains, the quality improvement process at the wastewater treatment plant is not over. At the end of 1997, the organization adopted a strategic plan in order to meet the "qualimètre" standard of the Mouvement québécois de la qualité before the year 2000.

4 — Main Organizational Changes

When the partnership agreement between labour and management was reached in 1994, plant management obtained a formal commitment from the union to choose discussion and joint action over pressure tactics to solve problems related to work organization and labour relations.

The organizational changes that have taken place at the treatment plant since 1994 have mainly been in the areas of hours of work, work organization, management of human resources and labour relations. Management accepted the four-day work week the union asked for, as long as there was no increase in production costs and overtime. The measures proposed by management in this regard were a gradual reduction in the regular hours of work from 37½ hours per week to 36 hours and later to 35 hours per week. It should be noted that this change in the work schedule is subject to a specific clause in the collective agreement that calls for a parallel increase in productivity.

A number of changes in work organization were introduced between 1994 and 1999. Measures aimed at increasing productivity and minimizing job losses were implemented in the operations and maintenance groups. Positions were abolished and some tasks performed by different job categories were melded together to increase the versatility of workers, who are now qualified to hold all the positions in their groups. As well, all workers in operations and maintenance were given additional tasks after new equipment was installed. Unionized team leaders can work while giving instructions to employees. Operations are handled by four teams of attendants and operators, and all these employees have taken the course on water purification that is a job requirement. There was an important change during the period affecting the flexibility of maintenance services employees. The clause in the collective agreement on this topic was reviewed and modified to allow for decompartmentalization between the trades. From 1994 to 1999, employees increased their productivity and management was therefore able to reduce the amount of contracting-out.

Another change now being studied came out of an investigation by a joint working committee that proposed different measures to improve productivity without changing the hours of work in maintenance services. These measures include monitoring rest periods and revising the procedures for starting work at the beginning of each shift.

Human resources management practices also changed after the arrival of a new head of human resources whose priority was improving labour-management relations. As part of the 1994 restructuring, the new director of human resources was able to re-establish discussions with the union. After the problems in operations and maintenance were identified, the work reorganization started. First, all senior plant management and the union executive took training related to the problem-solving process and then two thirds of the employees received it. In addition, upgrading is now offered to employees each year to help them adapt to new technologies. Management has developed a way to evaluate the degree of employee participation in the achievement of objectives related to the continuous quality improvement program. These objectives are the improvement of client service, control of the tax burden on municipalities and use of a management style that promotes worker autonomy.

The period from 1994 to 1999 was marked by an improvement in labour-management relations. Previously, labour relations were deemed difficult by the union because of the lack of a shared vision and values; deficiencies in the organization of work and in internal communications, which resulted in staff disaffection; and a lack of cohesion among the objectives of various activity areas. Labour relations were tense and there were numerous grievances, which were often resolved by arbitration. The changes made since 1994 have tended toward greater labour-management co-operation and a different approach to collective bargaining. The joint management of work organization formally recognized in the 1994 collective agreement has been maintained to this day. Union members agreed to a seven-year collective agreement after less than three months of negotiation, whereas previous bargaining rounds had lasted longer and resulted in agreements of no more than three years. The parties also negotiated letters of agreement on certain aspects of work organization. It should be noted that the difficult budgetary situation in Quebec municipalities in recent years, as well as insecurity related to privatization rumours about the plant, no doubt influenced these changes in work organization and collective bargaining practices.

5 — Main Results of the Experiment

Financial Results

The main financial result of the work reorganization at the plant from 1994 to 1999 was the reduction of about 10 per cent in payroll as a percentage of operating costs. With the increase in productivity and the improvements to the wastewater treatment process, the tax burden on ratepayers in the Montréal Urban Community has been reduced by \$4 million annually since 1994. These improvements, combined with the improvements in the technical performance of the plant since 1991, have resulted in annual savings of \$10 million.

Production Efficiency and Product Quality

With the reorganization of work, production efficiency has increased. This is chiefly the result of the reorganization of work teams at the operational level, the changes in hours of work, the decompartmentalization of trades in maintenance, the increase in the degree of employee commitment to the plant's objectives, the introduction of a process to recover downtime and the addition of some

productive equipment. According to the information gathered, the plant's pumping capacity is now the highest in North America. As for product quality, management's priority is improving services to the public. It therefore participated in a pilot study directed by the Water Environment Research Foundation on the comparative performance of treatment plants in the United States. The plant also joined with the Mouvement québécois de la qualité to implement the "qualimètre".

The union representatives also believe that equipment quality and maintenance have improved since the partnership agreement was signed in 1994. The employees feel that they have a role in the production improvement process. The operators have better technical knowledge of the equipment since the plant acquired an automated command and monitoring system for operating the plant and the interceptors, which allows them to detect faults and advise their colleagues responsible for maintenance. New equipment investments (\$200 million) were also made during this period to improve operational efficiency. In addition, it seems that the decrease in the number of employees from 337 in 1994 to 280 in 1999 did not have a negative impact on the production process. According to the plant director, the employees affected by these cuts were mostly engineers and office staff hired for a specific project involving construction and installation of new plant equipment.

Organizational Results

The work reorganization started in 1994 has had a positive effect on relations between managers and unionized employees, according to the representatives we interviewed. As a result, during the period studied, an operational problem with regard to the integration of the spare crew was clarified in a letter of agreement about the 12-hour work schedule. The replacement procedures for operators and operations employees were also defined, as were the principles for setting up the new work schedules. Despite the reduction in hours of work, the number of workers in operations and maintenance remained virtually unchanged, although several employees were reassigned to improve how various activities were managed.

Labour-management relations at the plant have changed significantly since 1994. The parties had been in conflict for many years before the work reorganization. Experimenting with a new approach to negotiation has provided an opportunity for the

blue-collar workers' union to demonstrate its leadership and drive to the employer. The collective bargaining process has undergone major changes. The dialogue between management and the union is now oriented toward joint action and problem-solving, and union demands are more clearly defined. The parties were more willing to share information during the most recent round of negotiations, which resulted in the labour-management partnership agreement. According to the union representative interviewed, it is nevertheless necessary to remain in a position of strength vis-à-vis the employer, since the union can always refuse management offers if its members judge them to be unsatisfactory.

Individual Results

Job-related tasks have undergone a number of changes since 1994. Mainly these changes have consisted of job enrichment, which is conducive to increased employee flexibility and greater employee interest in achieving plant objectives. Technological changes, especially computerization, have led to the acquisition of new knowledge by the workers involved and an increase in the number of training hours per year. Although all employees receive technical training in water purification, workers already on the job must upgrade their training each year. According to the union representative, the workload has increased for operations and maintenance staff because of the reduction in downtime.

Workers have become more involved in different aspects of the daily management of operations since the implementation of work reorganization in 1994. All employees are now invited to periodic meetings where company strategies and results are shared. In addition, the introduction of an ongoing process of problem resolution involving all managers, union representatives and employees was a key factor in meeting the commitments that flowed from the partnership agreement with the blue-collar workers' union. The work reorganization also helped increase the degree of individual employee commitment, which went from 53 per cent in 1994 to 70 per cent at the beginning of 1997, according to information received from management and confirmed by the vice-president of the blue-collar workers' union. The latter also believes that there has been more consultation with the workers and more co-operation among the employees.

As for worker satisfaction and motivation since the work reorganization, a number of findings came out of the 1999 interview with the vice-president of the blue-collar workers' union, who was the union spokesman during the 1994 negotiations. First, he believes that the workers are pleased to have peace in the workplace again. They are pleased to have kept their jobs after a difficult period when productivity was mediocre despite modern new production equipment. Workers also feel that their expertise is more recognized and that they are consulted more, which contributes to their motivation and their sense of being valued.

6 — Success Factors and Assessment of the Experiment

Various factors contributed to the success of the joint management of work organization begun in 1994 at the Montréal Urban Community's wastewater treatment plant. The parties adopted a co-operative approach and, from the start, sought to put the initiative on a solid footing. Both management and union representatives studied the labour-management partnership experiment at Hydro-Québec, then identified the specific problems at their plant. Together they chose an external consultant to guide the development and implementation of a joint work reorganization program. The organizational changes were then introduced under the joint responsibility of the parties within the framework of the partnership agreement reached in 1994.

This agreement led to a significant drop in production costs at the treatment plant and also generated a 60 per cent decrease in work injuries and absenteeism, as well as a reduction in overtime. These results were obtained because management agreed to a reduction in hours of work, provided this did not cause an increase in staff, which is equivalent to recovering 36,000 hours of work per year in production and maintenance. The organizational changes put in place from 1994 onwards under the direction of a

labour-management committee contributed to a substantial increase in productivity. The agreement created conditions and mechanisms that ensured the co-operative approach adopted in June 1994 would be successful in subsequent years. This agreement, ratified by a large majority of the union members, provided for the creation of committees with extensive responsibilities for implementing recommendations about organizational changes.

Conclusion

This analysis covering the experiment in labour-management co-operation at the Montréal Urban Community's wastewater treatment plant can be concluded by underlining that the radical change in labour relations fostered the implementation of a new work culture and a new joint management approach to organizational changes. This has been maintained despite the cost reduction plan introduced by management in 1994. Management requirements to reduce production costs led to the creation of a number of work teams to improve productivity, reassignment of staff to other tasks, elimination of overtime and a freeze on hiring, but the number of unionized production and maintenance staff remained relatively stable from 1994 to 1999.

This experiment shows that worker participation in the improvement of product quality and the organization of production is facilitated when labour and management agree to negotiate and jointly manage the work reorganization processes while protecting existing jobs. These findings also suggest that an improvement in labour relations is a prerequisite to implementing work reorganization in unionized establishments where labour-management relations are tense and that the intervention of an external consultant can improve labour relations and lead to a labour-management partnership.

NEW COMPENSATION PRACTICES FOR A NEW COMPANY – THE CASE OF ENTOURAGE SOLUTIONS TECHNOLOGIQUES INC.

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Entourage Solutions technologiques inc. (Entourage) was established in February 1996 to install and repair business and residential telephone cabling in Ontario and Quebec. The creation of this company was the outcome of a series of events that occurred in the wake of telecommunications deregulation and Bell Canada's desire to refocus its activities on emerging industries.

In 1995, Bell filed a request for deregulation of single-line residential and business telephone jacks and inside cabling activities. The requested deregulation was intended to make the customer responsible for indoor cabling and to open up this market to competition. The Canadian Radio-television and Telecommunications Commission approved the request. However, to ensure that customers throughout the coverage area would have access to service, the Commission required Bell Canada to continue offering its services to customers who wanted to do business with the company as well as to those who did not have access to a local contractor to meet their needs. On the basis of its cost structure, Bell Canada received approval to charge \$91 an hour for this type of work.

Prior to that, the cost of this work had been included in the basic monthly telephone bill. It was to be expected that customers would look for other solutions, such as using small contractors or moonlighters, to avoid such high charges. Orders to Bell Canada would decline and technicians would be laid off.

The Communications, Energy and Paperworkers Union of Canada representing the technicians at risk of losing their jobs, began discussions with Bell

Canada management about setting up an independent company to do this work. The new company, Entourage, would do the work as a subcontractor, at lower cost. The proposed company was put in place through an investment of \$6.5 million from the Fonds de solidarité des travailleurs et travailleuses du Québec, which became the sole shareholder. Once the investor was found, Entourage signed a service agreement with Bell Canada. The agreement guaranteed Entourage exclusive rights for five years to install and repair residential and business lines for customers who wanted to use Bell Canada's services. It also left the new company free to offer its services directly to consumers in Ontario and Quebec and to explore other lines of business.

A New Organizational Reality

In February 1996, 550 former Bell Canada employees who had accepted Entourage's offer of employment reported to their new place of work. From the outset, the company was unusual because of its share ownership structure, its business context, the reasons for its creation and the source of its work force. Table 1 compares the characteristics of the old and new work situations for the Entourage employees.

Although these employees had received severance pay of between \$20,000 and \$80,000, they would have had to look for a new job if they had not joined Entourage, and although the nature of their work had not changed, they were still taking a risk. Overnight they found themselves in a technical services company that was confronting the reality of competition rather than enjoying a telecommunications monopoly. Under these circumstances, the viability of the company depended on having working

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Table 1

**Comparison Between the Work Situations at Entourage
Solutions technologiques inc. and Bell Canada in 1996**

	<u>Bell Canada (pre-1996)</u>	<u>Entourage (as of 1996)</u>
Number of employees	40,000	550
Nature of market	monopoly	strong competition
Magnitude of resources	substantial	limited
Business stage or cycle	maturity/growth	start-up
Ownership	thousands of shareholders	one shareholder
Management	distant	close, on site
Culture	bureaucratic	entrepreneurial
Employee's average wage	\$24/hour	\$17/hour
Management systems	long-standing	being developed

conditions specific to its new market, where labour costs represented 65 per cent of sales. This meant that wages were 30 per cent lower than the workers had earned previously.

As one manager put it, *"we were a brand-new company operating under totally different market conditions."* With the creation of Entourage, management faced a dual challenge: to establish management systems and programs that would allow the company to reduce its reliance on its main client, Bell Canada; and to attract and retain skilled employees, which it needed at a constantly growing rate. The staff also had to adopt a new corporate culture, which valued not only quality but also productivity and profitability. While we are not suggesting that these technicians and managers were not concerned with production when they worked for Bell Canada, that had obviously been a workplace where cost centres were mostly concerned with client service. The climate was different at Entourage, a start-up firm that had to face the challenge of productivity and profitability in addition to offering customer service that could meet the growing expectations of consumers who now had to pay for a service that had previously been free.

A Group Flexible Pay Plan

It was against this backdrop that the Entourage managers began, in 1996, to look at what form of compensation for its technicians would best help the company to grow, while meeting the expectations of the employees and the shareholder. Management knew there was no way to make up the technicians'

30 per cent pay cut. The managers had to make the technicians understand the economic aspects of the new situation and the need to quickly adopt a new outlook and the behaviour essential to success.

All the employee groups took part at one time or another in the development and implementation of a creative approach to compensation first devised by the company's management and overseen by the Vice-President, Human Resources. From the beginning, the union was an active partner in the entire process. In fact, it was primarily the union which, after discussions with the employer and representatives of the shareholder, was responsible for achieving a consensus among its members on the different terms of the compensation plan, particularly the eligibility of temporary employees.

As the sole shareholder, the Fonds de solidarité des travailleurs et travailleuses du Québec set the tone and displayed extraordinary commitment by agreeing to a plan whereby 50 per cent of the profits would be shared after a 10 per cent return on shareholders' equity after taxes was paid out. This decision made it possible to develop an attractive plan that was credible in the eyes of the union and the employees.

Lastly, the front-line managers and union stewards also played an important role in developing and implementing the compensation plan. They held joint information sessions in their respective work units to ensure that employees understood the plan, found it fair and were willing to adopt it.

The CASH Program

The plan, known as CASH Program, is designed to promote and translate into action the values necessary to the company's success. Specifically, the Program has the following objectives:

- to encourage the employees to do good things in the interests of the success of the company;
- to give all employees their share of the "pie";
- to make the employees accountable by ensuring that they are able to see the impact of their performance.

The Program provides for the equal splitting between the company and the employees of the earnings (consolidated before taxes and extraordinary items) above a threshold equal to 10 per cent of shareholders' equity. For example, if shareholders' equity amounts to \$10 million, the threshold is set at \$1 million. Above this amount, the profits are shared equally between the employees and Entourage.

The split is based on the number of units the employees accumulate over the year. The number of units allocated to each employee depends on three indicators: the operating profit of the division where the employee works, the operating profit of the region where the employee works, and the profit margin per hour billed of the employee's work team. The executive board sets targets for each of these indicators and matches them with a certain number of units, as illustrated in Table 2.

An employee can therefore accumulate a maximum of 1,000 units. The value of each unit corresponds to the total amount to be shared, divided by the number of units held by all the employees eligible for the Program. For example, if the total amount to be shared is \$1 million and the employees have accumulated a total of 200,000 units, each unit is worth \$5. In this case, an employee who has 700 units is entitled to a bonus of \$3,500. Specific conditions apply to the administrative staff members eligible for the Program since they are not involved in an operational unit.

Effectiveness of the CASH Program

On the whole, the results of the Program based on several indicators of success are positive. In the first place, substantial amounts have been distributed since

the Program was introduced: \$575,000 in 1997, \$1.2 million in 1998, and \$475,000 in 1999. (It should be noted that in 1999, a labour dispute at Bell Canada had a serious impact on Entourage's activities.)

According to management, this indicator is significant because it shows that the company is profitable and that there were surpluses to share, despite the fact that Entourage had to make substantial investments to support rapid growth. Table 3 illustrates how Entourage has evolved since it was established, based on other criteria such as the number of employees and asset value.

Table 2

Number of Units Allocated According to the Three Indicators of Organizational Performance: An Example

	Number of Units
Division's operating profit	
\$1.2 million or more	350
\$1 million (budget target)	175
Less than \$800,000	0
Region's operating profit	
\$500,000 or more	500
\$300,000 (budget target)	250
Less than \$100,000	0
Profit margin per hour billed for the team	
\$8 or more	150
\$6 (budget target)	75
Less than \$4	0

Table 3

The Evolution of Entourage Solutions technologiques Inc. between 1996 and 1998

	1996	1998
Number of employees (Ontario and Quebec)	1,439	2,153
Total revenue (\$000)	19,400	103,717
Total assets (\$000)	12,267	24,209
Net profits (\$)	(3,250)	860,000

When questioned about the effectiveness of the CASH Program, the managers and union representatives agreed that the Program had a positive impact on productivity, the quality of customer service, the quality of labour-management relations, the organizational climate, the commitment of the staff to the company and their willingness to upgrade their skills. As one manager pointed out, "the daily actions of our employees tell us that the Program has been successful."

Here is an example of the climate of confidence among employees. The union and management implemented an innovative wage increase formula that was developed when the collective agreement was renewed in 1998. Under this formula, which is illustrated in Table 4, the employees' wage increases are tied to the results of the CASH Program. In addition to the lump sum paid to the employees, a percentage of this amount becomes the wage increase for the subsequent year, in the form of a bonus added to the hourly wage. This bonus is incorporated into an employee's wages if the results of the CASH Program in the following year are better than in the previous year. This agreement, tying the CASH Program to the management of wage increases, is a clear indication of the confidence that the various parties have in both the relevance of the Program and the company's future. In addition, the hourly wage and the bonus amount are indicated separately on the pay stub so that the employee can readily distinguish between them.

Factors in the Success of the CASH Program

The union and management are in full agreement that the success of the Program is predominantly attributable to the 50 per cent payout. The figure is important because it sends a clear message to

staff: "Reach a normal rate of return on investment and the surplus will be shared equally with everyone."

The success of the Program is also attributable to the way it was developed and implemented. Since representatives of all the groups concerned were involved, it was not seen as a management program but as the result of a consensus in bargaining and collaboration among all the parties.

While not complicated, the CASH Program does call for the employees to have a basic knowledge of accounting and requests that the parties maintain ongoing communication on the company's performance; company management and the union therefore ensure that these two conditions are met. In their opinion, the transparency of all aspects of the administration of this Program accounts for its success. The economic training provided for employees, which is mandatory for at least one member of each work team, also improves the Program's effectiveness.

In addition, conditions were favourable in several respects. At the outset, Entourage was able to count on a partnership with a major client, Bell Canada, which guaranteed it considerable revenue quickly. Secondly, the employees who originally went to work for Entourage were former Bell Canada employees who had received substantial amounts in severance pay. Because these employees were arriving in a new environment and did not yet have any vested interests, they were more open to the CASH Program, particularly since with their experience they knew how to reduce costs without compromising service quality.

Lastly, the market for installing wiring and other telecommunications equipment has grown significantly in recent years. Even though Entourage was just

Table 4

Illustration of the Link between the CASH Program and Wage Management

Year	CASH: Extra Amount on an Hourly Basis	Wage Increase (¢)	Total Hourly Wage
1996	50¢	12.5¢ (25% of 50¢)	\$17.00 + 12.5¢ bonus
1997	60¢	15¢ (25% of 60¢)	\$17.125 + 15¢ bonus
1998	50¢	12.5¢ (25% of 50¢)	\$17.125 + 12.5¢ bonus

starting out, it was destined to succeed. Of course, it had to make the right decisions in order to maximize the potential offered by the Bell Canada volume, and it also had to put in place an organization composed of former Bell Canada employees that in no way resembled Bell Canada. Today, at the dawning of the year 2000, Entourage has a work force of 2,400 employees made up mainly of people who have never worked at Bell Canada. It can now consider penetrating new geographic markets, diversifying its activities and attracting people with new skills. In fact, in 1998, in collaboration with the Ministère de l'Industrie, du commerce, et de la technologie [*department of industry, commerce and technology*] and the Ministère de la Solidarité sociale [*department of social solidarity*] in Quebec, Entourage announced

investments of \$5.1 million to create 365 new jobs. The money will also finance training programs designed to upgrade technicians' knowledge and help them acquire new expertise in information technologies.

On October 25, 1999, the Fonds de solidarité des travailleurs et travailleuses du Québec sold its interest in the company to a consortium with a businessman (Adrien D. Pouliot) as the majority shareholder and Bell Canada as a minority shareholder. Entourage Solutions technologiques inc. plans to offer up to 10 per cent of its share capital to employees.

In 1998, Entourage Solutions technologiques inc. was presented with the IRIS award by l'Ordre des conseillers en relations industrielles du Québec for the quality of this initiative in organizational change.

PRIOR LEARNING ASSESSMENT AND RECOGNITION – THE BRISTOL TECHNICAL TRAINING PROJECT

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in collaboration with

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*D'Arcy Phillips, Project Co-ordinator,
Manitoba Aerospace Human Resources Co-ordinating Committee*

Wayne Martel and Al Ireland,

Union Members of the First Training Committee (1994-1996)

Bruce Clark and Don Rogers,

Union Members of the Second Training Committee (1996-1998)

Rick Dedi, Director Prior Learning Assessment Centre

This case study introduces a way to build on a company's own workforce. Bristol Aerospace Limited is located in Winnipeg, Manitoba and has approximately 1,100 employees. Employee accreditation is becoming increasingly important as Bristol moves from military based contracts to commercial contracts. In 1991 preparations to deliver the statutory WHMIS (Workplace Hazardous Materials Information System) training program identified a need to improve the functional literacy and numeracy skills of some of the employees at Bristol. It was time to develop a comprehensive approach to training and build on employees' acquired knowledge and skills.

"Prior Learning Assessment and Recognition" is a process that assesses an individual's prior learning and compares it to the learning outcomes in college courses. Through this process individuals have the opportunity to obtain credit for college level knowledge and skills gained outside the classroom and/or through other educational programs. Red River College has developed a clear policy for the use of Prior Learning Assessment and Recognition at the College and has practiced it for over a decade.

Key Players

Bristol Aerospace Limited

The Company offers a comprehensive range of repair and overhaul services for both fixed and rotary wing aircraft; specialized in precision manufacture of commercial and military aeroengine and aerostructure components and subsystems. Bristol participates in space science research through the provision of sounding rockets, payloads and small satellites and produces defence equipment such as air-to-ground rockets, booster motors and target training systems.

Bristol Aerospace Limited is an operating business unit within Magellan Aerospace Corporation. Magellan Aerospace Corporation is a Canadian based company comprised of well known names in the Canadian Aerospace industry.

CAW-Canada Local 3005

National Automobile, Aerospace, Transportation and General Workers of Canada represents over 215,000 members and is the largest private sector union in Canada. Local 3005 represents over 700 members.

Manitoba Aerospace Human Resources Coordinating Committee

This Aerospace sector group represents 25 companies; combined, these companies employ over 5,500 employees. Their mandate is to assist in sector specific training and institute educational infrastructure change. The Committee has tripartite funding from the provincial and federal governments and Industry.

Red River College

The College supports over 28,000 full- and part-time learners. It delivers over 90 diploma and certificate programs and has been involved in prior learning assessment and recognition in some departments since 1980. Through its Market Driven Training Centre, in conjunction with Industry, the College has developed training in areas such as Gas Turbine Engine and Accessory Overhaul, Composite Fabricator, and Project Management programs.

Key Concepts

DACUM – Developing a Curriculum

DACUM is a process that identifies skills and competencies that define an occupation. A panel of "experts" in that field, working through consensus, determines the skills and the competencies that are associated with each skill to clearly define the occupation. The end product of this process is a DACUM Chart, which is an occupational profile of competencies organized into skill areas.

Prior Learning Assessment and Recognition

"Prior learning" is any learning that an individual has acquired from formal education, work, union and/or voluntary experience, personal study and any other life activities that result in knowledge and skills. Prior Learning Assessment and Recognition is a process that assesses an individual's prior learning and compares it to the learning outcomes in college courses. Through this process individuals have the opportunity to obtain credit for college level knowledge and skills gained outside the classroom and/or through other educational programs.

Partnerships

Bristol is not a training institution so it was important for Bristol to develop partnerships in this Project. Partnerships, including those involving labour and management, have to be based on mutual trust and common interests or goals. Each partner brings expertise in its field to the committee. Each partner should be able to define their interest in the Project, what they expect to gain and what they perceive as their role in the partnership. Successful partnerships are mutually beneficial with each partner having a genuine sense of ownership in the Project. By having

the accrediting bodies as partners in the process it was hoped that they would take ownership of the process. In that way Prior Learning Assessment and Recognition would be embedded in their program delivery thereby ensuring that anyone approaching the institutions would have access to the system.

Some Principles in the Process

It is critical that an infrastructure is developed for the prior learning assessment and recognition process to be effective. The infrastructure requires the presence of several key elements or principles:

- Courses should have learning outcome statements that define what the learners should know or be able to do after taking the course.
- Longer courses should be modularized so learners can use Prior Learning Assessment and Recognition on the modules.
- Learners must have a clear understanding of the process and what to expect during the process.

Background

Rationale for the Project

Employee accreditation is becoming increasingly important as Bristol moves from military based contracts to commercial contracts. Commercial vendors in the Aerospace industry are required to provide evidence that their employees are qualified to work on a product as a function of quality assurance. It is also important for the individual employees to have credentials to support their skill base because of the fluctuating employment demands in the Industry.

Events that Led Bristol to a Comprehensive Approach to Training

In 1991, preparations to deliver the statutory WHMIS training program identified a need to improve the functional literacy and numeracy skills of some of the employees at Bristol. Up until this point, training had been under the auspices of individual managers and supported from an unmanaged conference and seminar fund. The Company committed itself to a co-ordinated training effort in 1992 by establishing the position of Manager of Staff Development.

The foundation for the Training Project at Bristol was laid in 1993 when a joint management-union training committee was established as part of the collective agreement. The new agreement allowed for the amalgamation of job classifications on the understanding that training would be provided to employees to support them in the transition to the new classification structure. The newly formed committee had to address not only the technical skills training but also the literacy training needs identified by the 1991 WHMIS training. For Bristol management, training was a priority to achieve its changing strategic plan. For the Union, the literacy training was a priority because employees at Bristol were facing layoffs and their literacy skills were affecting the prospects of gaining employment. Industry expects employees to be able to work in a rapidly changing environment where problem-solving skills and literacy skills are very important. It is interesting to note that these reasons would also drive the Technical Training Program.

The first training programs delivered addressed the major needs in workplace-based adult basic education. These needs had been identified from both the 1990-91 WHMIS implementation experience and recommendations of a certification audit by the International Organization for Standardization, which required that employees be able to effectively read and understand documentation.

In the fall of 1994 the results of an Adult Basic Education/Basic Skills Needs Assessment Study was completed and presented to management and labour executives. Ten per cent of the Bristol employees, approximately 125 individuals, were interviewed from seven different work areas ranging from management personnel to skilled manual workers. The study recommended English as a Second Language should be a priority component of a five-course program, which would include "Math", "Communications", "Problem Solving and Teamwork Skills" and "Reading and Writing". The study also recommended that the courses be offered in-house to foster a learning environment and mentality within the Company.

In January of 1995, the first adult basic education courses were offered to employees in Shop Mathematics, Oral Communications and English as a Second Language. As of July 1998, these courses have been offered six times and 139 employees have participated in the Program.

Note: A study of literacy skills has been conducted on the generic technical courses that are being offered at Red River College to clearly define the prerequisite knowledge required to succeed in the Technical Training Program. The Essential Skills Program at Bristol has been enhanced to also allow individuals to prepare for technical training. Two new courses will be added to the Program, "Reading, Writing and Spelling" and "Study Skills", and all five courses have been delivered in a modular format.

Prior Learning Assessment and Recognition Project

Using DACUM

During the 1996 collective bargaining, further consideration of the training requirements driven by the ongoing amalgamation of job classifications identified the need to broaden training initiatives to include technical training, in addition to adult basic education. The broader scope and skill requirements of the new classifications were recognized to require access to a range of technical training.

In the spring of that year, Red River College was engaged to develop work-based curriculum using the DACUM (Designing a Curriculum) methodology. A DACUM facilitator was trained to undertake the six-month development task. DACUM charts were created for 16 job classifications. The DACUMs were developed, reviewed, and validated by workers in the appropriate job classification.

In the fall of 1996, after more than a decade of prior learning assessment and recognition work in various departments, and as part of its long-term commitment, the College established the position of Facilitator. The Facilitator introduced the Joint Training Committee at Bristol to the idea of Prior Learning Assessment and Recognition. The Committee was intrigued by the concept and the ramifications of embedding prior learning assessment and recognition into the technical training at Bristol.

Links to the Prior Learning Assessment Centre

In January of 1997, in order to become more familiar with prior learning assessment and recognition, the committee attended a conference hosted by the

Manitoba Prior Learning Assessment Network. During this conference, the opportunity to secure public funding for initiatives in prior learning assessment and recognition was discussed. A steering committee comprised of representatives from Bristol Aerospace, Manitoba Aerospace Human Resources Coordinating Committee, Red River College, and the Manitoba Department of Education and Training was formed to develop and promote a project proposal for funding from the federal and provincial governments. A Bristol Prior Learning Assessment and Recognition Project steering committee, comprised of the key stakeholders at that time, Bristol Aerospace, Manitoba Aerospace Human Resources Co-ordinating Committee and the Prior Learning Assessment and Recognition Facilitator representing Red River College, was formed to develop strategies to deliver training using prior learning assessment and recognition. Subsequently two companion projects received funding approval from the Government of Canada and the Province of Manitoba: The Bristol Project and the Manitoba Prior Learning Assessment Centre Project.

Matching DACUM Charts to Existing Courses

In the spring of 1997, a consultant was engaged to compare Red River course curriculum to the competencies identified in the DACUM charts of the 16 job classifications. Apprenticeship trades qualifications and course curriculums were also compared to the requirements of the new job classifications. Matches for machinist, tool and die maker and welding trades were in excess of 90 per cent. Matches for Aircraft Maintenance Engineer, Sheet Metal Mechanic and Composites Fabricator also were significant.

In the fall of 1997, the Bristol Project hired a Prior Learning Assessment Facilitator. The Facilitator reviewed the 16 DACUM charts and matched the competencies with the Red River course matches completed earlier in the year. A database was constructed to assist in matching training needs with available training courses and curriculum. A number of curriculum gaps were identified.

Approaching New Partners

In the fall of 1997, through the Manitoba Aerospace Human Resources Coordinating Committee, training opportunities were explored at Stevenson Aviation Technical Training Centre. They were, at that time,

primarily interested in delivering established courses and were not yet prepared to participate in a prior learning assessment and recognition project.

Perceived Delays

In the late fall of 1997, the union raised concerns regarding progress on the provision of technical training. The Prior Learning Assessment and Recognition Steering Committee was growing, with the additional members from Red River College that represented the Mechanical Technologist Department and the Market Driven Training Centre as well as the Provincial funder and the Prior Learning Assessment Centre. The union was concerned that although a great deal of effort had gone into the Project and that the size of the committee seemed to be ever increasing, none of its members had received any training.

Consequently, in January of 1998, the first series of technical courses was delivered to Bristol employees. The courses focused on the skills most common to the majority of job classifications. By July of 1998, 147 individuals accessed technical training courses at Red River College.

Evaluating the Process

Also in January of 1998, the Manitoba Aerospace Human Resources Coordinating Committee funded a consultant to design an evaluation framework for the Prior Learning Assessment and Recognition Project, which would allow evaluation to be conducted within the existing resources of the Project. It was an important step in the process because partners had to reflect on what would make the Project a success for them. The process also identified each partner's motivations for becoming involved in the Project. As part of our ongoing commitment to ensuring this prior learning assessment and recognition model can be used in industry, we have tried to design a project evaluation tool that could be used along with the model in any setting.

Involving the Apprenticeship Branch

During the summer of 1997, the Bristol and Manitoba Aerospace Human Resources Co-ordinating committees met several times with the Apprenticeship Branch to discuss a possible partnership using prior learning assessment and recognition in the apprenticeship trades. In February of 1998, it was

evident that if Bristol employees were to access the apprenticeship programs, the Apprenticeship Branch should be invited to participate in the Project. The focus of the training project had been on delivering training to already existing standards such as the Apprenticeship Red Seal programs and to ensure that the accrediting body was present during the development of the prior learning assessment and recognition process. The Apprenticeship Branch already had a limited process in place through the Inter-provincial Trades Qualification exam, but the Bristol Prior Learning Assessment and Recognition Steering Committee wanted the Branch to adopt a wider range of flexible methods for evaluating an individual's knowledge and skills. It was also important that once an individual was assessed he/she would have access to a flexible method of receiving training, rather than just block release, to complete his/her apprenticeship training. The Apprenticeship Branch was becoming a key stakeholder in the project and had agreed to develop learning outcomes for the Machinist Trade as a pilot for the Bristol Prior Learning Assessment and Recognition Project.

Defining the Matching Process

Between March and June of 1998, the Facilitator produced a more detailed matching of available courses to DACUMs. He was able to do this by drawing on his aerospace background and understanding of the "knowledge and skill" requirements of the job classifications. Further gaps became apparent as the matches between course descriptions and what was actually taught in the courses were explored. The Facilitator reviewed the course outlines and descriptions with the College to determine if any further matches could be made to reduce the curriculum gaps. After two meetings it was determined that further matches could be made but Bristol specific courses would have to be developed by collating parts of existing courses.

In June 1998, a work plan was developed to insure that the project objectives would be met. Up until this time very little had been done at the College to establish courses in a prior learning assessment and recognition format that could be challenged by Bristol employees. Red River College agreed to develop four of 12 training courses representing core curriculum common to the 16 job classifications and the Apprenticeship Branch agreed to establish learning outcomes and alternative assessment methods for the Machinist Apprenticeship by September 1998.

The Steering Committee also agreed that it was important that the partners establish roles and responsibilities of assessors and assessor panels for prior learning assessment by September 1998. In addition the Committee needed to develop a customized prior learning assessment process for Bristol workers for implementation.

The objective of the work plan was to offer prior learning assessment and recognition for the generic training courses and begin the process of prior learning assessment for the Machinist trade as early as October 1998. This project has a two and one-half year mandate, ending in March 2000, to ensure that all classifications at Bristol Aerospace Limited have a training program that is available in a prior learning assessment and recognition format. Without this work plan it would be impossible to meet this long-term mandate.

Unfortunately, the Manitoba Apprenticeship Branch decided against developing the learning outcomes for the Machinist trade. This was a set back to the Project, however, they had been successful in establishing a pilot project with the Prior Learning Assessment Centre and Stevenson Aviation Technical Training Centre, combining their expertise in developing the Transport Canada S License Program into a prior learning assessment and recognition format.

Stevenson Aviation Technical Training Centre

In the summer of 1998 discussions with Stevenson Aviation Technical Training Centre resulted in plans to work together to develop a process of prior learning assessment towards obtaining credentials with Transport Canada regulated licenses.

Prior Learning Assessment in Bristol's Workplace Based Education Program

The use of prior learning assessment as an approach to learning resulted in the modification of the delivery of the Adult Basic Education Program in the fall of 1998. Through prior learning assessment, employees take technical courses they need and can obtain credit for courses that they can already demonstrate. The same principles can be applied to the Adult Basic Education Program. A project has been set up to revamp the Adult Basic Education Program, taking the existing courses and breaking them into modules. Once completed, employees will

be able to take the specific modules that they need, instead on the entire 80-hour course.

The modularization and enhancement of the program will make it more learner friendly, which is an important factor in ensuring that employees can and do access the Program. For those that want to continue on to technical courses, the Adult Basic Education Program with the Prior Learning Assessment and Recognition component will ensure they have the prerequisite knowledge to succeed at a college level. For others this will be a way of refreshing their knowledge required to work in the aerospace industry. Most importantly, these course are designed for individuals to enhance their essential skills for every day living.

Assessment Process to Competency Profiles

As part of the plan to insure that employees have documentation to support prior learning assessments, Bristol established a database system to track and compare classification skills, competencies and to list corresponding courses that could be used for training employees in those competency areas.

Five hundred and one employees have attended a one-hour training information session. Seventy-six sessions were held between January 11 and February 3, 1999. The employees were requested, on a voluntary base, to complete the training assessment questionnaire which is linked directly to the database. This electronic assessment questionnaire will generate information in a database for all participating employees that will identify skills and knowledge that they currently possess and do not possess in relation to the competency profiles for their classification (DACUM for their occupational group) at Bristol Aerospace. Three hundred and forty eight employees completed the electronic assessment.

Training Action Plans

In addition to the assessment, the database will assist the participating employees in the development of individual action plans to acquire the necessary skills and knowledge. This can be done because the database has linked competencies to courses at the College or at other training institutions. A database report of courses or programs of study that have been identified as a training requirement from the assessment process can be generated specific to an employee or by classification. This report will also

aid in identifying areas where additional training efforts should be focused, on a company-wide platform.

Prior Learning Assessment and Recognition Process

Red River College has developed four prior learning assessment and recognition structured courses from the Manufacturing Technician Program. During the information sessions we polled the employees for interest in challenging those courses and other courses that are in the Manufacturing Technician Program.

One hundred and ninety seven individuals indicated an interest in challenging one or more of the four courses that have been reformatted by Red River College, for Prior Learning Assessment and Recognition credit.

Apprenticeship Program Assessments

In addition to the individual assessments, the Manitoba Apprenticeship Branch will be conducting interview assessments with interested machinists and facilitating a training action plan for them. The Apprenticeship Branch will also be conducting interview assessments and facilitating a training action plan with interested employees in the maintenance trades. In those areas, the small quantity of employees prohibited the use of a DACUM process.

By June 1998, it was anticipated that the Manitoba Apprenticeship Branch was going to implement a prior learning assessment and recognition project in the machinist trade. Unfortunately the Apprenticeship Branch feels that the present system has worked for 50 years and has served industry well over that time.

Lessons Learned

When using a DACUM to define a single occupation, terminology is normally not a concern. However, with 16 occupations, terminology did become a stumbling block in generating the database used to identify the list of generic courses, common to the majority of classifications. These courses were to be offered to employees to initiate the training project.

When the DACUM charts are matched to courses they should be matched in a database to ensure that common competencies from the charts can be compared to common courses and provide a positive cross-reference.

The comparisons, courses versus needs, should be done face to face with instructors and program co-ordinators to ensure that matches are valid and that all possible matches are made.

Patience is often required when dealing with possible partners. Define needs and allow partners the time to reflect and determine whether their combined needs have any commonalities.

Roles of partners need to be clarified and re-clarified to ensure that the project timelines are perceived as being appropriate to all stakeholders including the ultimate customers – the trainees.

Each time a new partner joins the process there is a need to review past events. To avoid duplication of learning, ensure that partners are invited to participate as soon as possible.

The evaluation process should be initiated early in the project because it clarifies the roles and responsibilities of each partner. The cost of the evaluation tool should also be included in the project budget.

Ensure that employees are well informed on the process. Sometimes providing information on problems in the process can be a positive step over no information at all.

Remember to deliver courses while structuring the prior learning assessment and recognition model to get employees involved in the program.

The assessment process produces very important information and should be incorporated into the database when it is developed. If the information had been available to the project earlier, a calendar of courses could have been developed based on expressed needs rather than generic competencies.

Conclusion

Learning can be a mixture of formal and informal processes; often employees are not aware that one can receive credit from an institution for work life experience. Medric Comberbach, a former member of the Joint Training Committee and an employee for 19 years became the Prior Learning Assessment and Recognition Facilitator of such a program at Bristol. He attended conferences and workshops so he could gain an understanding of good practices in prior learning assessment and recognition and develop a model for Bristol.

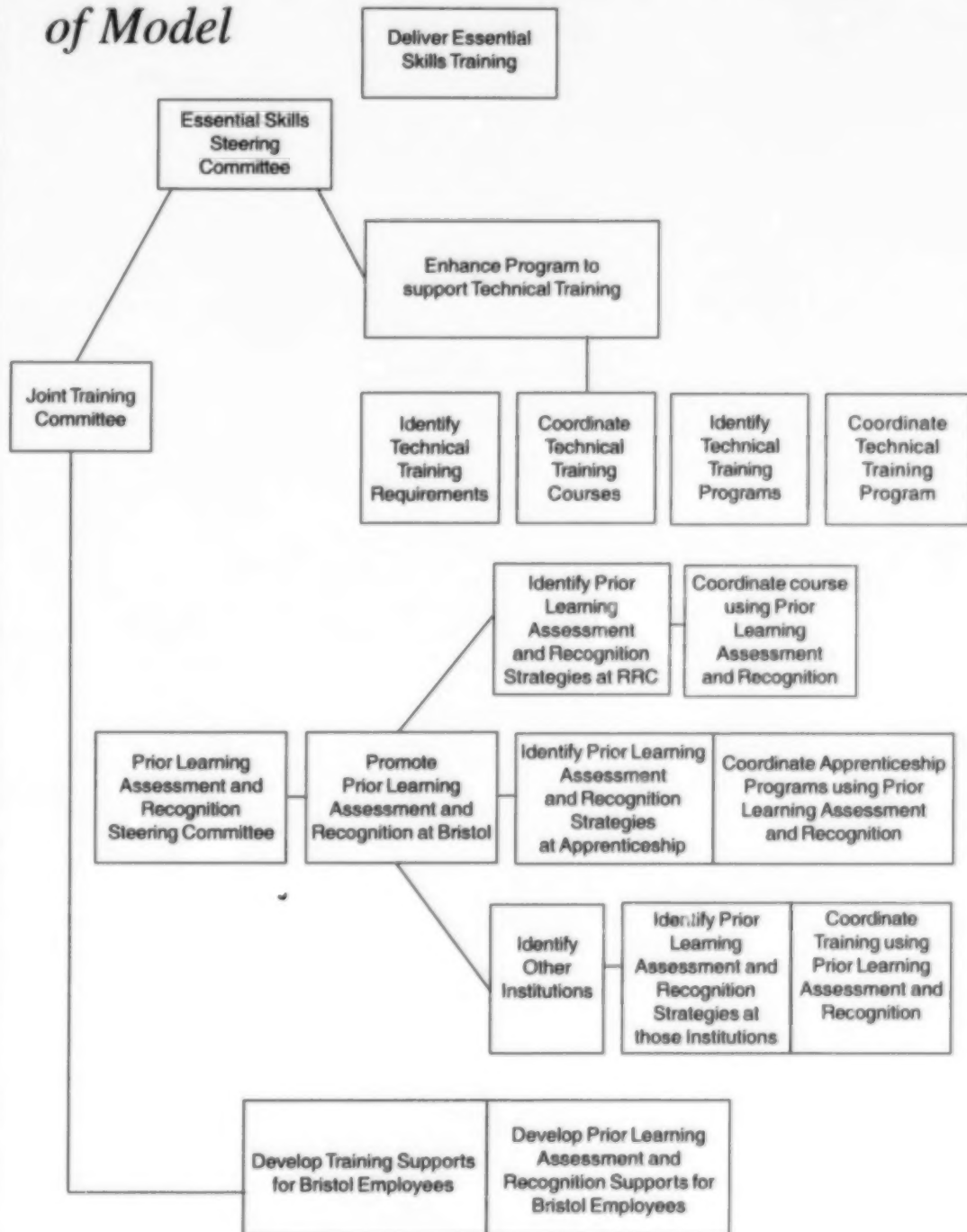
At a one-day learning event, "THINKING OUTSIDE THE BOX" hosted by the Prior Learning Assessment Centre, the focus was to inform industry, institutions and government about Prior Learning Assessment and Recognition. Three models were presented:

- Graham Debling presented on the use of national standards in training and focused on four international models such as the Apprenticeship model in Australia.
- Ann Krebs Bryne presented on a training model developed by Allen Bradley (a United States Corporation) on in-house training. The model focused on industry specific training delivered on-site; the major drawback to this model is there is no external accreditation.
- The Bristol Project presented combined company specific training with national standards accreditation.

Many models are not oriented to the learner's needs. The prior learning assessment and recognition training is for the learner and should be implemented with that in mind. If the Prior Learning Assessment and Recognition Project were to work at Bristol, the model had to be learner-friendly and flexible.

As part of its training initiative, Bristol established a Learning Centre that accommodates on-site training which is delivered by the partnering institutions.

Structure of Model



EFFECTS OF THE ACT RESPECTING PRESCRIPTION DRUG INSURANCE ON THE MANAGEMENT OF EMPLOYERS' GROUP INSURANCE PLANS IN QUEBEC – AN EXPLORATORY STUDY

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Introduction

The existence in Canada of a government-funded health system is often considered a source of competitive advantage, particularly compared with the United States. For example, one recent study concluded that it actually costs less to do business in Canada than in the United States (MacKay et al., 1995). But according to many Canadian companies, this comparative advantage seems to have dwindled over the years (Taylor, 1996). Some experts in the field of health insurance benefits say that the cost of supplemental health and dental insurance plans offered by employers is increasing at a rate of 15 to 20 per cent a year (Cohen, 1993; Simms, 1994).

This is the context in which the Quebec government introduced a new prescription drug insurance plan on January 1, 1997, to meet the needs of the Quebec population. This plan now covers some 1.2 million people who were not previously insured. The first phase of this plan came into effect in August 1996. The province's seniors and recipients of social assistance were the first to participate and pay 25 per cent of the cost of prescriptions under the new co-payment plan.

This reform, which was driven largely by financial and social considerations (Martin, 1996), was debated in the National Assembly in June 1996 by then Minister of Health Dr. Jean Rochon, just as the government was beginning to discuss the problem of the provincial budget deficit. According to Quebec government projections, the prescription drug insurance program should save the government something in the order of \$200 million to \$250 million per year.

It is estimated that expenditures for prescription medications for the Quebec population as a whole stood at about \$2 billion in 1994, and close to \$2.3 billion in 1996 (Castonguay, 1996), representing an increase of approximately 7.5 per cent per annum over the two-year period. These expenditures include all costs of public programs and private plans, as well

as spending by the population not insured under public and private plans.

Implementation of the *Act* respecting prescription drug insurance (Bill 33) has sparked a good deal of concern among employers, who are worried about its financial impact. In a report published in 1996, the Conseil du patronat du Québec argues that this statute is nothing more than a transfer of substantial government costs to the private sector. Bill 33 is thus seen as just another Quebec tax on labour. A joint 1996 brief by the major Quebec labour federations (Fédération des travailleurs et travailleuses du Québec, Confederation of National Trade Unions, Centrale de l'enseignement du Québec) also raises the problem of the increased costs of both group and public insurance plans (estimated at 10 to 16 per cent annually). This brief maintains that if the group insurance plans are not effectively controlled right from the start, the increase in contributions could lead to a real risk that this universal plan will fall apart.

The purpose of this study is to conduct a summary evaluation of the financial impact of the *Act* respecting prescription drug insurance on expenditures allocated by employers to group insurance plans. This research is mainly intended to be exploratory. It is concerned with the provisions of the *Act* that may influence the costs of group insurance plans. It also focusses on how this financial impact affects the extent of coverage of the group plan. In keeping with the nature of the question asked, this research is primarily intended to explore the effect of the *Act* in an industrial relations context.

This study was conducted with six employers in the Greater Montréal area. One university, one bank, two communications companies and two manufacturers were selected. This study takes the costs of the group insurance plans offered by the employers in the period prior to implementation of Bill 33 and compares them with costs after implementation. We then review the main features of this legislation, outline the

research model and methodology employed, present the employers selected for the study, and discuss the implications of the findings. Chart A illustrates the main characteristics of these employers.

The Universal Prescription Drug Insurance Plan

Since the *Act* respecting prescription drug insurance came into effect on January 1, 1997, any employer group insurance plan offering accident, illness or disability coverage¹ must also offer basic prescription drug insurance. Even an employer that has no group insurance plan but does have a salary payment policy in the event of short-term disability is obliged to offer basic drug insurance (Lafrance, 1996). In other words, it is no longer possible for an employer not to offer its employees prescription drug insurance when it decides to offer a group insurance plan. The only way for an employer not to comply with the *Act* would be to put an end to all group insurance plans.

The basic prescription drug insurance plan, or "basic plan," is jointly administered: in the public sector through the Régie de l'assurance-maladie du Québec [hereinafter the Quebec health insurance board], and in the private sector through group insurance plans. On the one hand, the prescription drug insurance plan

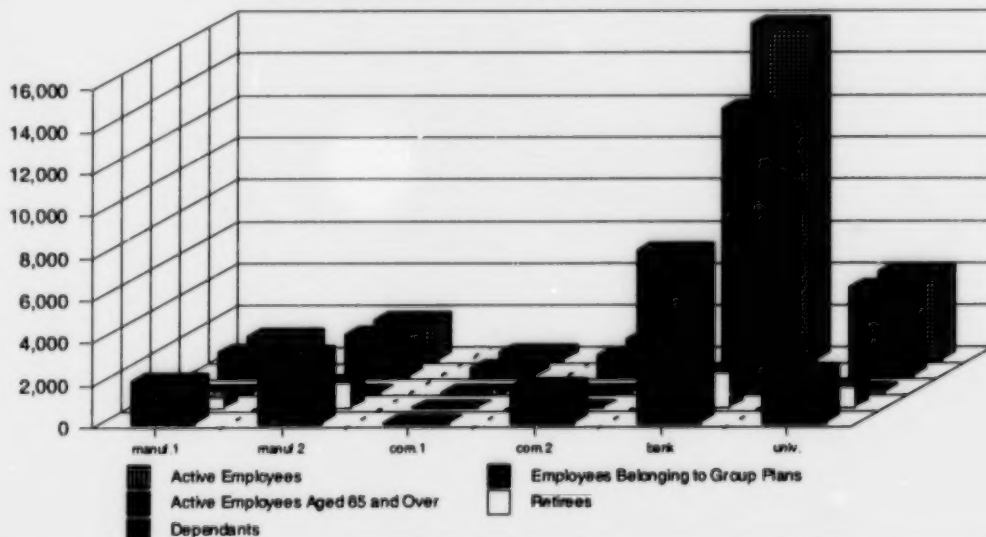
provides for coverage by the Quebec health insurance board for the following persons:

- income security recipients;
- persons 65 years of age and over, if they are not members of a group insurance plan;
- persons under 65 who are not eligible for a group insurance plan; and
- their children.

On the other hand, employer group insurance plans must assume the coverage of all persons eligible by reason of employment status, profession or habitual occupation and all persons 65 years of age or over who decide to join the group insurance plan. Regardless of their employment status, employees are now obliged to join their employer's prescription drug insurance plan. Furthermore, they must ensure that the same coverage is provided to their spouse, their children, and any person with a disability who is domiciled with them. One of the objectives of the *Act* respecting prescription drug insurance is to ensure that all persons are insured, first of all by a private group insurance plan and, failing that, by the Quebec health insurance board (Info assurance-médicaments, 1996).

Chart A

Main Characteristics of the Six Organizations



¹ It is not mandatory for a group plan to contain the full range of programs. This study is confined to the main types of coverage generally offered by the employers.

With regard to private individual plans, in a letter dated January 29, 1997, to Quebec Ombudsman Daniel Jacoby, the then Minister of health, stated that the government had decided to design the drug insurance plan so as to distinguish group insurance, which is the responsibility of the private sector, from individual insurance, which is the responsibility of the

public sector. Individuals would therefore have the choice of whether or not to participate in the government plan if the coverage they had was equivalent or superior to that plan. Table 1 summarizes the changes that have been made to the prescription drug insurance plan.

Table 1

Main Changes in a Group Insurance Plan

Before Implementation of the Bill	Bill 33	After Implementation of the Bill	Observations
Main Provisions of Bill 33 for a Private Group Insurance Plan			
The drug insurance plan was included in group insurance plans but was also an important component ^a of the following programs: • health insurance, • hospitalization, • dental insurance.	s. 35 and 36	Every group insurance plan guaranteeing payment of the cost of medications is deemed to provide basic prescription drug plan coverage. Any group insurance plan that includes basic prescription drug plan coverage is divisible ^b for that part of the coverage.	Any group insurance plan deemed to provide the coverage prescribed by the <i>Act</i> must offer at least the equivalent of the basic Quebec public prescription drug insurance plan.
No limit for contributions. In some group insurance plans, the co-insurance percentage was applied at two levels: 30 % and 10 %.	s. 12, 13 and 27	The maximum annual contribution is set at \$750 per adult. This amount includes what the employee pays as a deductible amount and co-insurance for oneself, a child, and a dependent person with a disability (if any). The co-insurance percentage must not exceed 25 % of the cost of medications and pharmaceutical services.	Contributions are not transferable ^c upon a change in the work or the insurer.
No membership obligation for an employee, unless otherwise specified in the collective agreement or if the employee was already a member of another plan.	s. 16	An employee eligible for a group insurance plan must become a member of the company plan, unless the employee is covered by another plan as a spouse.	\$750 maximum annual contribution per adult.
Employees were not required to ensure that coverage was provided for their dependants. Children did not have to have 100 % coverage with no deductible in a group insurance plan.	s. 17 and 18	Dependants (children 18 years of age and/or 18 or over at school and domiciled with their parents) must be covered by the plan and are exempted from making contributions. The employee must ensure that their spouse is covered if the latter is not covered under another contract.	\$1,500 maximum contribution for a family ^d with two adults (the parents).

^a Some authors (Taylor, 1996; Castonguay, 1996) consider that medications account for over 60 per cent of the distribution of claims in a supplemental health insurance plan.

^b In a group insurance contract, the prescription drug insurance plan requires a portion of the coverage, contributions, experience, taxable benefits, employee contributions, etc.

^c An eligible person may be required to pay more than \$750 in one reference period.

^d A single ceiling applies for a single-parent family, but two ceilings (\$750 x 2) apply for a family with a spouse.

continued

Before Implementation of the Bill	Bill 33	After Implementation of the Bill	Observations
Main Provisions of Bill 33 for a Private Group Insurance Plan (continued)			
Many group plans used to maintain drug insurance after retirement. Coverage often ended at age 65.	s. 18	Persons 65 years of age and over can decide to join group insurance plans.	This decision may be irrevocable, if provided for in the contract. ^E
Coverage Obligation (for Insurers)			
Insurers used to evaluate risks before admitting the employees and/or their dependants (if any).	s. 37	No one may refuse an eligible person membership in a group insurance plan, nor their spouse or child, nor a dependent person with a disability, on the grounds of age, sex or state of health.	The 9 % sales tax continues to apply to contributions, and taxable benefits stemming from the employer's contributions to the group plan are maintained.
Contributions were established on the basis of group experience.	s. 40 and 44	The <i>Act</i> determines the terms and conditions under which risks will be pooled. It determines the co-insurance payment and deductible amount of a private plan and leaves the insurers room to manoeuvre with respect to the contribution.	
In the event of a work interruption, there was no legislative constraint on the insurer.	s. 47 to 49	Unless the plan member fails to pay the contribution, coverage continues for 30 days in the event of a lockout, strike or work stoppage.	
Application of a 9 % sales tax on group insurance plan contributions. Private individual insurance plans were also taxed.		No change to the tax rules. The individual plan is no longer subject to the tax; it is a public responsibility.	
What Medications will have to be Insured by the Basic Plan?			
	s. 8, 60 and 61	Medications provided in Quebec ^F that are on the list drawn up by the department of health and social services. Excluded are medications provided in hospital or under certain statutes: Commission de la santé et de la sécurité du travail du Québec or Société de l'assurance-automobile du Québec.	The lists of medications insured under group plans are generally broader.

^E A person aged 65 or over who chooses the coverage offered by the Board may retain the other coverage offered under a group insurance plan.

^F Medications purchased outside Quebec may be recognized if they appear on the list approved by the Quebec health insurance board (RAMQ, 1996).

Key Provisions of Bill 33

1. Mandatory Membership

The obligation to become a member of a group insurance plan applies only when that contract is to the benefit of a group of persons determined on the basis of current or former employment status, profession or habitual occupation. These terms are used to refer to an employment or activity that is generally remunerated. According to the Quebec health insurance board (Régie de l'assurance-maladie du Québec, 1996), any criterion may be used to define the group, with the exception of age, sex or state of health. In other words, the Act does not prevent group insurance plans from prescribing waiting periods, probation periods or a minimum number of hours worked in order for employees to receive insurance coverage, in keeping with customary practices. However, an employer can no longer deny its employees access to drug insurance on the basis of their employment status (full-time, part-time, temporary, etc.).

2. Mandatory Coverage of Children and Spouse

The Act stipulates that persons covered by a group insurance plan must provide for coverage of their dependants, particularly children and a spouse who do not otherwise have access to a private prescription drug insurance plan. This means that workers covered by group insurance must ensure that the same coverage is provided to their spouse, unless the latter is over 65 years of age or is already covered by a group insurance contract. In this connection, a child is defined as any person under 18 years of age and under parental authority, any spouseless person 25 years of age or under who is in school full time, or any person of any age suffering from a functional impairment that has existed since before the person's 18th birthday and who is not a social assistance recipient. The spouse may be common-law or same-sex.

3. Financial Participation

The contribution of persons required to become members of a group insurance plan that covers pharmaceutical services and medications may consist of a deductible amount, a share of co-insurance, or

both at once. However, the co-insurance payment to be borne by a person required to join a group insurance plan may not exceed 25 per cent of the cost of the pharmaceutical services and medications provided to that person (to him/her, spouse or children). Once a worker's contribution reaches \$750, including for the children, for 12 consecutive months, the employer must assume all additional costs.

Research Model and Methodology

The increase in public and private health care spending is a subject that has received extensive study at the macro-economic level in North America over the last two decades. Most of the research that has examined the factors associated with increased health care costs has used claims for medical care as the primary data. These claims are either from employers (Custer, 1991; Yen et al., 1994; Kingery et al., 1994; Taylor, 1996) or from provincial drug insurance boards, notably those of Quebec (Rhéault et al., 1996; Contandriopoulos, 1991; Desrosiers, 1987) and Ontario (Gorecki, 1992).

Most of the studies' findings associate the increase in health care costs with the following factors:

1. the price of prescription medications;
2. the intensity of their use, or of use of the services offered;
3. health risks;
4. the consumption profile of persons over age 65; and
5. services provided to employees' dependants within the framework of health insurance.

(Custer, 1991; Contandriopoulos, 1991; Gorecki, 1992; Yen et al., 1994; Kingery et al., 1994; Rhéault, 1996; Taylor, 1996).

Despite their differences, the studies arrive at much the same conclusions about the factors impacting on health care costs² (Phelps, 1980; Soumerai, 1987; Birch, 1989; Harris et al., 1990; Reeder et al., 1993; SSQ VIE, 1994; Bernard, 1995; Brunelle, 1995; Rhéault, 1995; Martin, 1995; Martin, 1996; Norton, 1996). However, the studies indicate that similarities exist between the provisions of Bill 33 and

² The term "health care" is used in this study out of a concern to faithfully reflect the terms we found in our review of the literature, for there is no empirical research on the subject that uses the term "group insurance plan."

the subsequent determinants for seniors or retired employees, services provided to dependants, health risks of employees and their dependants, and employees' marital status. In other words, there seem to be links between the determinants contained in the provisions of Bill 33 and the increase in health care costs.

This research examines the financial impact of the provisions of Bill 33 on the costs of employers' group insurance plans. We are particularly interested in three aspects of the Act's provisions:

1. The cost of the group insurance plan. This can translate into three scenarios, depending on the employer's response to financing the plan. These scenarios are: (a) absorption of all the additional costs by the employer, (b) sharing of the additional costs between employer and employees, and (c) absorption of all the additional costs by the employees.
2. The Act's membership criteria and major provisions: (a) mandatory membership of eligible employees in the group plan, (b) mandatory coverage of children and spouse, (c) coverage of employees over the age of 65, and (d) coverage of retired employees. Some experts³ see these provisions as responsible for the increased costs of employer group insurance plans.
3. The extent of the coverage (i.e., reduction of the plan's coverage in order to adjust costs, or increase in contribution costs for the same range of coverage).

The director of employee benefit services for each of the employers selected was surveyed about the nature of that employer's group insurance and prescription drug insurance plans. They were also asked about their experiences in terms of health spending before and after implementation of Bill 33. An attempt was made to determine the Act's effects on the range of coverage offered under each employer's group insurance plan. Finally, the respondents were asked to comment on the future of

group insurance plans, based on both the results of plan cost assessments and the government's health policy.

The information was collected in a structured interview, assisted by a questionnaire. This interview asked about: (1) the group insurance plan according to the range of coverage offered by the employer, (2) frequency of use of prescription drug insurance services as part of health insurance, (3) frequency of use of prescription drug insurance plan services offered under Bill 33 as part of the group insurance plan, (4) characteristics of the employer – size and nature of the activity, and (5) characteristics of the users of the employer's prescription drug insurance services – age, number of employees and dependants. The questionnaire was formulated after a preliminary survey of a group of experts⁴ concerned about the implementation of Bill 33.

The information collected was organized according to the provisions of the Act. Those provisions constitute the series of independent variables of this research. The effects of these variables (mandatory participation of permanent and temporary employees, their dependants, active employees aged 65 and over, and retirees) on the group insurance plans were analyzed for two periods: prior to and subsequent to implementation of Bill 33.

A comparative analysis was done after the interviews with the six employers. To identify the impact of the provisions of Bill 33 on the costs and extent of these employers' group insurance coverage, we checked their plans for similarities and differences between the two periods.

Note that we used 1996 as the reference year with which to compare the costs of the group plans in 1997. In presenting the findings, however, we have taken account of the cost increases observed in 1994 and 1995. It is essential to understand that, when insurance contracts are renewed, the combined effects of inflation, increased use of prescription drugs and the ageing of the group (where applicable) are felt, and certain increases in contributions are necessary to maintain the fiscal balance of the plan (SSQ VIE, 1994).

³ Giguère, Monique, Director, William M. Mercer Ltée, Montréal (1996), quoted in Taylor (1996), p. 12, and L'Espérance, Jacques, Senior Consultant, Société conseil Mercer Ltée, Montréal, interviewed in March 1997.

⁴ L'Espérance, Jacques, Senior Consultant, Société Conseil Mercer Ltée, Montréal, interviewed in March 1997. Distatsio, Claude, Director, Canadian Life and Health Insurance Association, Montréal, interviewed in March 1997. Granger, Robert, Director Human Resources, Québecor Inc., Montréal, interviewed in June 1997. Gagnon, Denise, Fédération des travailleurs et travailleuses du Québec, Montréal, interviewed in June 1997.

Findings and Discussion

Findings

Particular attention was paid to the indicators relating to the main provisions of Bill 33, such as the number of plan members, dependants and active or retired employees 65 years of age and over, in order to measure their effects on the costs and extent of the six organizations' group plan coverage.

With regard to the costs of these employers' group insurance plans, we found that the increase in contribution costs nearly doubled in five of the six organizations, despite stability of the prescription drug price index, which is estimated to have increased by 5 per cent in 1997. The percentage increase in the costs of these employers' group plans is estimated at between 10 and 15 per cent, even though the annual increase in the costs of these same plans did not exceed 6 per cent through 1994, 1995 and 1996. Furthermore, a 12.75 per cent increase in the cost of premiums was recorded in 1998 in the group plan of manufacturing employer 2. This employer had already posted a 10 per cent increase in 1997. Similarly, the increase in the cost of premiums at the university rose to 18.5 per cent in 1999, after a stable level of increase in 1998 (the same as in 1997). This hike represents a clear departure from the increases of previous years. A proportion of this increase, estimated at 8.5 per cent, is attributable to the provisions of Bill 33, especially section 37. According to the university respondent, many cancer cases were reported, translating into substantial use of medications compared with previous years. Therefore, the study's findings indicate a strong increase in the costs of these employers' group insurance plans (see Table 2).

The data collected show that the growth rate for group plan costs is different from one employer to the next. This variation could be explained by the different cost-sharing strategies preferred by the employers. Some of them, such as the bank, the university and communications employer 2, offloaded a portion of the additional costs onto their employees, while only one employer in this sector (communications 1) passed on all of the additional costs to its employees.

According to Bernard (1995), the basic purpose of these strategies is to apply the different forms of cost-sharing, which are generally used in combination

with each other. For example, the employers have moved to increase the cost of deductibles and co-insurance, or of coverage contributions. Such measures serve to transfer a portion of the costs to the employees (the users of the services), with the amount of those costs being dictated by the level of achievement of the objectives (Soumerai et al., 1993).

With regard to the obligation to join group plans that is prescribed by Bill 33, the employers who employ temporary and part-time staff seem to be mainly responsible for the increase in the number of plan members. For example, section 16 of Bill 33 obliges the bank to offer group plan coverage to its temporary employees, of whom there are 160. Hence there has been a net increase in the employer's expenses in covering this category of employees, who had no protection prior to implementation of the Act.

There has also been an increase in the number of dependants at the university (+181) and the bank (+150). This is the result of changes in marital status reported by certain employees. Taking into account the annual percentage increases in costs of coverage contributions and the change from optional to mandatory coverage of dependants, we note a significant hike in contribution costs for family coverage in 1997 in five organizations, where the percentage increase in group plan costs is estimated at between 10 and 15 per cent (see Table 2).

Finally, despite their insignificant number in three organizations (manufacturer 1, the bank and the university), persons 65 and over who are still employed represent a potential additional expense once they announce their intention to continue as members of the employer's insurance plan. Knowing that prescription drugs make up a large proportion (about 65 per cent) of the costs of the supplemental insurance plan,⁵ the employers are requiring these people to pay their coverage contributions for the prescription drug portion.

Obviously, Bill 33 has not led the employers participating in this study to substantially reduce the extent of the coverage offered by group insurance plans, as we had anticipated, but in most cases it has made those plans less generous. In other words, employees must now contribute more to enjoy the same coverage they had before the Act. Taking the university as an example, it now makes its employees pay a deductible of \$50 per year up to a maximum of

⁵ This is the threshold for reimbursement set by the university; it was increased by \$100 after Bill 33 came into effect.

Table 2

Changes in Number of Members and Costs of Group Plans in the Six Organizations

Variables / Indicators	Manufacturer 1			Manufacturer 2		
	1996	1997	Change	1996	1997	Change
Number of members of group plan						
• active employees	1,100	1,100	—	1,925	1,925	—
• retirees under age 65	400	400	—	289	289	—
• retirees 65 and over	—	125	(+)125	919	919	—
Number of active employees aged 65 and over	100	no drug coverage	(+)100	no drug coverage		—
Dependants who are members of the plan	optional 1,980	mandatory 1,980	—	optional 85%	mandatory 85%	—
Cost of contribution: individual coverage	\$299/yr	\$333/yr	(+) \$34	\$21.29 to \$32.74/mo.	\$28.04 to \$37.57/mo.	\$4.83 to \$6.75
Cost of contribution: family coverage	\$299/yr	\$333/yr	(+) \$34	de \$71.86 to \$99.49/mo.	\$97.18 to \$114.17/mo.	\$14.68 to \$25.32
Cost of contribution: retiree under 65	\$299/yr	\$333/yr	(+) \$34	ind. \$45.73/mo. fam. \$154.38	ind. \$44.31 to fam. \$149.06	(-) \$1.42 (-) \$4.78
Cost of contribution: retiree over 65	\$299/yr	\$333/yr	(+) \$34	ind. \$26.71/mo. fam. \$54.72	ind. \$36.85 to fam. \$75.48	(+) \$10.14 (+) \$20.76
Variables / Indicators	Communications 1			Communications 2		
	1996	1997	Change	1996	1997	Change
Number of members of group plan						
• active employees	350	350	—	1,000	1,000	—
• retirees under age 65	—	—	—	—	—	—
• retirees 65 and over	—	—	—	—	—	—
Number of active employees aged 65 and over	no active employees aged 65 and over			no active employees aged 65 and over		
Dependants who are members of the plan	no response			optional 1,800	mandatory 1,800	—
Cost of contribution: individual coverage	\$24/yr	\$24/yr	—	\$300/yr	\$315/yr	(+) \$15
Cost of contribution: family coverage	\$60/yr	\$60/yr	—	\$600/yr	\$630/yr	(+) \$30
Cost of contribution: retiree under 65	retirees assume all expenses			no coverage for retirees		
Cost of contribution: retiree over 65						

continued

Table 2 (continued)

Variables / Indicators	Bank			University		
	1996	1997	Change	1996	1997	Change
Number of members of group plan						
• active employees	12,500	12,660	(+)160	4,185	4,169	(-)16
• retirees under age 65	1,000	1,067	(+)67	675	675	—
• retirees 65 and over	600	—	(-)600	305	—	(-)305
Number of active employees aged 65 and over	(1%) no drug coverage			(1.2%) no drug coverage		
Dependants who are members of the plan	optional 8,000	mandatory 8,150	(+)150	optional 2,200	mandatory 2,381	(+)181
Cost of contribution: individual coverage	\$20/mo.	\$21.5/mo.	(+) \$1.5	\$11.7 to \$12.9 \$/mo.	\$12.1 to \$13.43/mo.	(+) \$0.4 to (+) \$0.53
Cost of contribution: family coverage	\$25/mo.	\$27/mo.	(+) \$2	\$14.5 to \$27.5/mo.	\$15.6 to \$28.7/mo.	(+) \$1.1 to (+) \$1.2
Cost of contribution: retiree under 65	\$40/mo.	\$45/mo.	(+) \$5	no coverage	(+) 13% of cost of contribution	(+) 13%
Cost of contribution: retiree over 65	\$40/mo.	no coverage	(-) the medic.		Pas de couverture pour les retraités	

NOTE: The costs of coverage contributions illustrated in the tables above only reflect expenses paid by employers for active and retired employees.

\$100 per family, as opposed to \$25 and \$50 respectively in 1996. University employees (all categories) pay a contribution that is 4 per cent to 5.8 per cent higher than what they paid in June 1996, in order to receive the same coverage. Furthermore, a university employee must now pay out \$1,100 per year⁶ for prescription drugs in order to be reimbursed at 100 per cent, compared with \$1,000 per year before Bill 33 came into force. Retirees under age 65 who are still covered by the university plan have seen a 13 per cent increase in the cost of coverage.

The employers have not in fact reduced the scope of their group plan coverage, but they have raised their employees' expenditures for coverage.

Discussion

As Table 2 shows, active employees aged 65 and over are not covered for prescription drugs by their group insurance plans now that Bill 33 is in force.

Consequently, employers indirectly encourage their employees in this age group to leave the group plan by imposing certain draconian measures, such as payment of \$1,600 per year for family coverage and \$800 per year for individual coverage, which is what manufacturer 1 requires of its older employees. The bank asks its older employees to pay \$600 annually, while communications employer 1 offers only \$60 per year for family coverage, with the remainder being at the employee's expense. The university does not offer its older employees a choice: they have to join the government plan.

Certain authors (Martin, 1996; Lafrance, 1996; Taylor, 1996) had predicted that contributions to supplemental health insurance plans for retirees would be experiencing a significant increase at age 65; and indeed in 1997 there was a sharp increase in the cost of coverage contributions for these people, as was the case at manufacturer 2. For this employer, contribution costs have evolved as shown in Table 3.

⁶ Prescription drug expenses accounted for nearly two thirds (65 per cent) of all health insurance benefits, excluding dental expenses, paid by SSQ VIE in 1993.

Table 3**Evolution of costs of coverage contributions**

Contributions	1994	1995	1996	1997
Individual	\$22.55/month	\$23.22/month	\$26.71/month	\$36.85/month
Family	\$46.19/month	\$47.58/month	\$54.72/month	\$75.48/month

These data show that the employers are not assuming all the costs associated with coverage for their retired employees. The manufacturing organizations are continuing to pay all expenses pertaining to group plan coverage, but only for active employees and retirees under the age of 65, in accordance with Bill 33. They are passing on the costs of prescription drugs for retirees aged 65 and over.

The communications organizations are leaving coverage costs to be paid by the retirees, as indicated in Table 2. The bank is paying only a portion of the coverage costs for retirees under age 65. This organization is contributing \$17 a month for individual coverage (i.e., 40 per cent of the total cost), and the retiree under 65 has to bear the rest of the cost. Retired employees aged 65 and over and their dependants are covered by the government plan.

The university is asking its retirees under 65 to pay the entire cost of the contribution: \$33.16 per month for individual coverage and \$66.32 per month for family coverage, plus a 13 per cent increase. Retirees aged 65 and over are encouraged to become members of the government plan.

Conclusion

This study, which was intended to be exploratory in nature, has identified and discussed in detail the impact of Bill 33 on the costs of group insurance plans of Quebec employers. At the end of this study, it is still difficult to offer a definitive impact assessment without indulging in oversimplification. However, the data collected show that spending associated with group insurance coverage increased by 10 per cent to 15 per cent in five organizations out of six. This increase is essentially due to the implementation of the *Act* respecting prescription drug insurance.

The findings show that certain provisions of Bill 33, notably those pertaining to the mandatory membership of personnel with employment status and of dependants and retirees, whether over or under 65 years of age, have an impact on the costs of the organizations' group insurance plans.

Bill 33 obliges organizations that employ temporary or part-time personnel, such as the bank, to cover these employees as well as their dependants, even though they had no coverage whatsoever before the *Act* was implemented. From this standpoint, Bill 33 is perceived as an additional tax on the employers' wage bill. The provision of the *Act* concerning mandatory membership of dependants (sections 17 and 18) had an impact on the number of spouses and children covered, and therefore on the costs associated with their coverage. We also found that the impact of this provision on the costs of group plans is fairly significant in certain organizations where cost-sharing with the employees was not used (manufacturers 1 and 2). In organizations where cost-sharing was used (communications 2, the bank and the university), the impact on costs to the employer was mitigated. It must not be forgotten, however, that there are now more people in Quebec who have prescription drug insurance. The extra costs can therefore be seen as useful, since they are helping to bring about greater social justice.

There is also a relationship between the method of managing the additional costs generated by implementation of the *Act* and the growth rate of group insurance plan costs. The organizations that are assuming all costs of the group plans (drugs included) have faced more pronounced cost increases than employers that have developed a strategy for sharing costs with their employees. This trend has also been observed in a number of European countries. For a few years now, the Netherlands has seen a progressive reduction in coverage under supplemental health insurance plans and an increase in benefit termination by means of restrictive clauses, with the insured persons being steered into government plans. Employers are tending to reduce the number of people insured and to introduce disincentives to consume by raising the deductible amounts. Hence what we are seeing in Europe is stepped-up privatization of supplemental health insurance plans and, as a result, a convergence of their social systems with North American systems (Aarts et al., 1998).

This study also indicates that the most significant cost increase due to Bill 33 has been in coverage costs for retired employees. The data collected show that employers are assuming only a portion of the costs associated with coverage for retirees under age 65, as at the bank and university. All six organizations are curtailing coverage altogether for retirees aged 65 and over, especially for prescription drugs.

This study's findings suggest that certain organizations have posted lower cost increases for their group insurance plans than others have. In reality, these employers have simply adopted measures to reduce and limit costs, to the detriment of their employees. For example, they have made adjustments to their group plans by raising the level of employee contributions, imposing more rational reimbursement limits, increasing contribution amounts, and sometimes developing communication strategies aimed at making plan beneficiaries aware of just how much their benefits cost. Another method that has been used to cut costs is to encourage older and retired employees not to join the employer's group

insurance plan by sharply raising their contribution amounts.

The findings of this study may be of interest to employers in the public as well as the private sector, since both are represented in the organizations we have examined. We have identified not only the impact of the main provisions of Bill 33 on group insurance costs, but also the strategies used by the employers to reduce or curb the growth of costs incurred in providing their employees with group insurance coverage. Given that no research has as yet seriously considered the impact of Bill 33 on the group insurance plans of Quebec employers, our findings offer a direction for further study, which may distinguish the effects of the control variables, particularly those relating to the size of the organization and the age of the employees. Moreover, the Quebec government is proposing to study the impact of this Act very shortly, and the Minister de la Santé et des services sociaux recently announced that his department will be reviewing certain key provisions of the Act in light of the results of these studies.

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THE EMPLOYMENT EQUITY ACT – 1999 ANNUAL REPORT

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The purpose of the Employment Equity Act is to achieve equality in the workplace for women, Aboriginal peoples, persons with disabilities and members of visible minorities. In June 1999, employers covered under the Act submitted their twelfth annual report. The information in these reports depicts the employment situation of the four designated groups in their workplace and the progress that organizations have made toward achieving an equitable representation of the groups during 1998.

Highlights

Qualitative Measures

A number of employers attained a fair representation for women and members of visible minorities. However, many recognized that members of designated groups are still facing employment barriers. These barriers may prevent candidates from applying for jobs. Some employers mentioned that they were reviewing job requirements, while others decided to modify their hiring practices to expand the pool of job applicants. Employers also emphasized the fact that a supportive work environment has a noticeable positive effect on the retention of designated group members in their organizations. They noted that the absence of barriers to the advancement of group members contributes to such an environment.

This year, employers provided more information on the efforts they had made to consult and collaborate with employee representatives on the implementation of employment equity. However, in many cases, it was noted in the reports that no specific mechanisms existed for consulting on equity matters.

The 1999 Merit Awards recognized the special efforts that companies, covered under the Act and the Federal Contractors Program, have made to achieve a representative workforce.

Environment

Two major trends, which were also present in the economy in general, were observed in the industries covered by the Act. On one hand, changes in regulations and the opening up of markets to competition have prompted companies to merge, both to better compete and to take advantage of larger

markets. In some cases, mergers have led to a gradual reduction in personnel. On the other hand, new companies were created, but they had smaller and highly qualified workforces.

The Workforce Under The Act

In 1998, the number of employees reported by federally-regulated companies under the Act increased significantly. It was the first time in years that the workforce had increased to that degree. A large part of the increase occurred because some companies had not reported the year before. The number of employees covered increased in all industrial sectors, with Transportation experiencing the largest increase.

For the first time since 1989, companies covered by the Act hired more people than they terminated, and permanent employment grew by 0.3 per cent. In 1998, the number of hirings and promotions increased noticeably. Accordingly, the total number of opportunities (hirings and promotions) in the workforce rose by about 15 per cent for the second year in a row.

Designated Group Members in the Workforce

Representation

The patterns of representation of the four designated groups in the workforce under the Act evolved differently between 1997 and 1998.

- The representation of women and persons with disabilities decreased for the second year in a row in 1998.

- During the same period, the representation of Aboriginal peoples and members of visible minorities continued to increase, but not as rapidly as in previous years.

In 1998, a significant decrease in the representation of women and persons with disabilities was observed only in the Banking sector. The decrease occurred because significantly more members of the two designated groups were terminated than were hired in that sector.

Employment Opportunities

Compared to Banking, the employment situation in the other industrial sectors was somewhat better for women. Women's employment increased in Transportation and the Other sectors in 1998. Transportation also employed more Aboriginal peoples last year. The overall employment of members of visible minorities grew by 1.2 per cent in 1998, compared to a growth of 0.3 per cent for the entire workforce. This group's employment grew for the fourth consecutive year.

Occupational Profile

Employment in manual work and less specialized jobs in clerical, sales and service personnel categories fell behind in 1998, with positions in the professionals, semiprofessionals and skilled and intermediate sales and service categories making gains.

Members of designated groups generally increased their representation in the more specialized categories mentioned above. Aboriginal peoples increased their representation only in the professional categories and intermediate sales and service personnel. As well, the representation of persons with disabilities increased only in intermediate sales and service personnel. Of concern, however, is that most of the designated groups also experienced a higher percentage of people working in lower-skilled clerical, other sales and service and other manual positions in 1998 compared to the previous year.

Salaries

The salary gap between men and women narrowed slightly in 1998. Women earned on average 76.6 per cent of what men earned for full-time work.

Exceptions were noted for Aboriginal women and women with disabilities, where the salary gap between them and all women in the workforce widened.

Assessment of Employers' Results

Two rankings assess the numerical results of employers. The first ranking (Ranking I) measures the extent to which members of a group were represented in an employer's workforce, and received treatment similar to other employees (in terms of the jobs they do and their salaries). The results of Ranking I show that the situation of members of designated groups has improved (as indicated by the highest score, an "A") in a larger number of companies in 1998. However, the majority of employers still received a medium or low score (a "B" or a "C") for all four designated groups. The best result was for Aboriginal peoples, where one-third of all companies reporting received a high score for this group.

The second ranking (Ranking II) reflects the progress that an employer has made in 1998 in improving the situation of designated groups. Only in the case of Aboriginal peoples did more employers indicate good results in 1998. For women, progress was observed for one third of the employers, but a majority of employers received a low score for Ranking II for persons with disabilities.

Analysis of Employers' Reports

1.1 — The Workforce under the Act

In 1998, the total workforce under the Act increased in all industrial sectors; the highest growth occurred in Transportation. Employment grew by 0.3 per cent. The total number of hirings and promotions in the workforce increased by 15 per cent in 1998. While the number of employees working in clerical jobs decreased, it increased in professional and semiprofessional and technical occupations.

The number of employees covered under the Act increased by 2.6 per cent in 1998. Increases of this size have been observed in only three years (1988, 1989 and 1994) since data have been collected under the Act. The number of employees under the Act increased almost exclusively due to a higher number of employers reporting in 1998. The additional employers reporting in 1998 were either new employers reporting for the first time, or employers who were already covered by the Act but, for different reasons, had not submitted a report in 1997.

In 1998, some 21 organizations joined the ranks of employers covered, bringing the total to 357. This increase is not reflected in the number of employers'

reports in our database (333 reports in 1998 and 332 in 1997).

In 1998, most employees covered worked full time (85.2 per cent), while 13.9 per cent worked part time, and less than 1 per cent were temporary employees. Approximately 80.0 per cent of new hires who joined the workforce under the Act during the year were full-time employees, 17.0 per cent were temporary employees, and 3.0 per cent were part-time employees.

Sectoral Changes

Most new companies that began reporting in 1998 were in the Transportation sector, with Communications following closely. However, the number of employees increased in all industrial sectors. For the second year in a row, Transportation experienced the largest increase (4.1 per cent) in the number of employees. The increase in Communications (1.9 per cent) was the lowest observed. The number of employees in Communications, Banking and the Other sectors began to increase again after having declined for a number of years. Banking and Communications remained the two most important sectors under the Act in terms of the number of employees.

Regional Changes

In 1998, compared to the previous year, the number of employees covered by the Act decreased in the Atlantic provinces (except in Prince Edward Island), but increased in the rest of Canada by approximately 2.0 per cent in Central Canada, 4.1 per cent in Alberta and 7.6 per cent in British Columbia. In British Columbia, most of the increase occurred because a number of companies that had not done so in 1997, filed a report in 1998.

Employment Opportunities

For the second year in a row, the number of hirings increased markedly. Some 75,762 people were hired into permanent jobs in 1998, an increase of 18.0 per cent from the previous year.

Terminations did not increase at the same pace (7.6 per cent) as hirings did, consequently, the net result was positive for the first time since 1989. Companies hired a total of 1,965 more people than they terminated during 1998, resulting in a growth of 0.3 per cent in permanent employment. By comparison, employment declined by 0.8 per cent in 1997.

In 1998, over 7,000 more part-time workers were hired than were terminated. However, the situation was not as favourable for full-time workers where 4,921 more were terminated than were hired.

Employers in the Transportation sector led in hiring more people than they terminated, with employment growing by 1.4 per cent in that sector in 1998. Banks also hired more people than they terminated while Communications suffered a net loss in employment.

Organizations also had opportunities to improve the situation of members of designated groups through promotions. A total of 61,927 people were promoted in permanent jobs in the workforce under the Act in 1998. The total of hirings and promotions reached 137,689, an increase of 15.5 per cent from the previous year.

Occupational Profile

Employees were largely concentrated in the administrative and clerical personnel categories in 1998, jointly accounting for 37.4 per cent of the

**The Number of Employers and Employees by Sector,
1987, 1997, and 1998**

	Employers			Employees		
	1987	1997	1998	1987	1997	1998
Banking	23	19	18	169,632	170,374	174,133
Transportation	208	167	167	203,207	150,281	156,472
Communications	90	95	99	179,247	191,198	194,780
Other Sectors	52	51	49	43,331	59,285	60,814
All Sectors	373	332	333	595,417	571,138	586,199

workforce – down slightly from the 1997 level. The percentage in skilled crafts and trade work also decreased in 1998 from 10.8 per cent to 9.9 per cent.

On the other hand, a higher percentage of employees worked as professionals and semiprofessionals than in the previous year. In 1998, 11.7 per cent of employees covered worked as professionals, and 6.2 per cent as semiprofessionals and technicians. Middle and other managers formed the third largest group, accounting for 10.1 per cent of the workforce under the Act in 1998. The percentage of the workforce in middle management remained almost unchanged between 1997 and 1998.

The concentration of employees in the various occupational groups differed among the various sectors. For example, a large number of people were working in clerical positions and as professionals in Banking, Communications and Other sectors, while in Transportation, almost 45 per cent of all workers were working as skilled or semi-skilled manual workers. The Other sectors also employed a significant number of workers in these two categories.

1.2 — Women

Women's representation in the workforce under the Act decreased in 1998. The representation of women continued to increase in the middle-managerial and professional groups. In the workforce under the Act, women earned 76.6 per cent of what all men earned for full-time work, and the salary gap narrowed in 1998.

Representation

The representation of women decreased for the second year in a row. It decreased from 44.5 per cent in 1997 to 44.3 per cent in 1998. Although there were actually 5,139 more women in the workforce in 1998 than in 1997, their representation still decreased because the number of men increased even more significantly. In the last two years, the representation of women in part-time work has been decreasing considerably, while the number of men working in such jobs continued to rise. The representation of women in full-time work also decreased, but less significantly.

Sectoral Changes

Banking was the only sector in which the representation of women declined from 73.6 per cent in 1997 to 72.5 per cent in 1998. Their representation in that sector has been decreasing since 1993. The

representation of women increased in Transportation and the Other sectors from 1997 to 1998; 23.6 per cent and 25.0 per cent respectively.

Regional Changes

Although the total number of employees covered by the Act working in New Brunswick and Saskatchewan decreased, the number of women in the workforce in these provinces actually increased. In Saskatchewan, the number of women increased more rapidly than did the number of men in some companies in Communications and the Other sectors.

The situation was the opposite in British Columbia. Although the number of employees in that province increased to a large extent, the number of women declined.

Changes in Employment Opportunities

In 1998, more women were hired into permanent positions than were terminated. In part-time jobs, more women joined the workforce under the Act than left. However, these gains were largely offset by the negative result observed in full-time jobs.

The employment of women grew by 0.3 per cent, which was slightly less than for men (0.4 per cent). Despite this growth, the representation of women decreased in 1998 because new employers who have a lower percentage of women in their workforce began to report.

Representation of Women in Companies Covered by the Act in 1998

	Number of Companies	Representation of Women (%)
All companies	333	44.3
Companies that reported in the previous year	304	44.7
Companies that reported for the first time in 1998	29	30.9

Only in Transportation were more women hired than terminated in permanent jobs. At the end of 1998, some 1,960 women had joined the workforce in this sector. Accordingly, their employment grew by 5.6 per cent. In Banking 973 more women were terminated than were hired. During the same period, banks hired 1,562 more men than they terminated. Women's

employment also declined in Communications as a result of hirings and terminations, but not as significantly as in Banking (0.5 per cent compared to 0.8 per cent).

In 1998, the number of women hired in permanent jobs increased by 24.4 per cent. As a result, the percentage of all people hired who were women jumped from 38.9 per cent to 41.0 per cent. By comparison, they represented 44.3 per cent of all employees under the Act in permanent jobs. The same year, women received 54.9 per cent of all promotions in the workforce.

In 1998, the total number of employment opportunities (hirings and promotions) offered to women increased by 16.0 per cent. This increase in employment opportunities is similar to that observed for men. Interestingly new hirings accounted for 47.7 per cent of the total number of opportunities – an increase of 3.2 percentage points over the preceding year. The 47.7 per cent figure indicates that employers still prefer promoting women who are already on-staff rather than hiring them from the outside.

Occupational Profile

Women in the workforce under the Act are highly concentrated in clerical occupations. In 1998, three occupational groups – clerical personnel, administrative and senior clerical personnel and supervisors of clerical, sales and service personnel – accounted for 65.3 per cent of all women in the workforce. However, in 1998, the concentration of women working in these occupational groups decreased. Moreover, it increased significantly in management, professional and sales and service personnel.

The number of women in 10 of the 14 occupational groups increased more rapidly than did the number of men. The exceptions were in clerical personnel and their supervisors' group, and in skilled and semi-skilled manual work. The representation of women increased most in skilled sales and service personnel and in the other manual workers category. They also continued to increase their representation in the middle management and professional groups.

The representation of women decreased in Banking in 1998. This occurred mainly in intermediate and other sales and service personnel, and clerical personnel and their supervisors. However, despite the general decrease in representation, women did

manage to increase their representation significantly among middle managers. In the Transportation sector, which was the fastest-growing sector between 1997 and 1998, women's representation increased most extensively in a group in which they have traditionally been well represented (supervisors of clerical, sales and service personnel). In Communications, women noticeably improved their representation in sales and service occupations, where it was already high. Finally, they made a breakthrough in other manual work in the Other sectors.

Employment Opportunities by Occupational Group

Employers under the Act made significant efforts to hire women into senior managerial positions in 1998. While 11.7 per cent of all senior managers hired in 1997 were women, this percentage jumped to 20.0 per cent in 1998. Accordingly, this contributed to the increase in the representation of women in this occupational group.

In 1998, more women were hired than were terminated in permanent jobs in intermediate and other sales and service occupations and in semi-skilled manual work. More women were terminated than hired in middle management, supervisor's positions for clerical, sales and service workers, and administrative and senior clerical personnel. Despite this fact, their representation declined only in supervisors positions.

Women received 54.9 per cent of all promotions in the workforce in 1998, although their representation in permanent jobs was only 44.3 per cent. In essence, the percentage of women promoted in middle management, professionals, and supervisors of clerical, sales and service personnel largely exceeded their representation in these groups.

Salaries

The average salary of women working full time in 1998 was \$40,517, or 76.6 per cent of the average salary of men (\$52,883), as compared to 75.9 per cent in 1997. The gap in average salaries between men and women narrowed more significantly in Banking, where women earned 60.5 per cent of what men earned on average in 1997 and 61.9 per cent in 1998. The gap was narrowest in the Communications sector, in which women earned 85.5 per cent of what men earned. The gap widened in the Other sectors during the same period.

**Average Salaries of Women
Working Full Time as a Percentage of
Average Salaries of Men, by Sector, 1998**

	(%)
Banking	61.9
Transportation	74.0
Communications	85.5
Other Sectors	76.8
All Sectors	76.6

One quarter of all women working full time earned less than \$30,000 in 1998. A majority earned between \$30,000 and \$50,000, with 17.4 per cent earning \$50,000 or more. In comparison, more than 40 per cent of all men earned \$50,000 or more, and only 10.1 per cent earned less than \$30,000.

About one third of women in Banking and Transportation earned less than \$30,000, and the situation is improving very slowly over time. Only 13.8 per cent of women in Communications earned less than \$30,000. The Other sectors offered a different picture where 27.6 per cent of women (as compared to 17.4 per cent in all sectors) earned \$50,000 or more in 1998.

1.3 — Aboriginal Peoples

The representation of Aboriginal peoples in the workforce under the Act continued to increase in 1998, but not as rapidly as in previous years. Although the employment of this group declined, other factors more than compensated for the decline. The number of promotions offered to Aboriginal peoples increased at a higher pace than the total number of promotions in the workforce. The representation of the group among managers, professionals, supervisors and intermediate sales and service personnel increased. The salary gap between Aboriginal men and all men in the workforce narrowed from 1997 to 1998, but it widened between Aboriginal women and all women.

Representation

In 1998, Aboriginal peoples accounted for 1.3 per cent of the employees, unchanged over the previous year. The representation of Aboriginal peoples was higher in part-time work, reaching 1.6 per cent, but there was still a gap between their representation in the workforce under the Act and their representation in the Canadian labour force (1.3 against 2.1 per cent).

Sectoral Changes

The situation of Aboriginal peoples has evolved very differently across sectors. While their representation increased in Transportation and Communications, it decreased in Banking and the Other sectors.

At 2.0 per cent, the representation of Aboriginal peoples remained highest in the Other sectors, but Transportation took second place where Aboriginal peoples represented 1.3 per cent of its workforce.

Regional Changes

The number of Aboriginal peoples increased in five provinces and territories in 1998.

Since data have been collected under the Act, the representation of Aboriginal peoples has been the highest in the Yukon and the Northwest Territories. In 1998, it was still high – at 6.3 per cent and 19.8 per cent respectively – but considerably below the 1997 figures. The number of Aboriginal peoples employed by companies covered by the Act in these regions has decreased.

Changes in Employment Opportunities

The percentage of Aboriginal peoples hired in permanent jobs decreased again in 1998. At 1.4 per cent, this percentage was considerably lower than the high it reached in 1994 (1.9 per cent).

The percentage of Aboriginal employees who were terminated also decreased – from 1.7 per cent in 1997 to 1.5 per cent in 1998. However, it was still higher than the percentage of people hired (1.4 per cent) who were members of the group.

The employment of Aboriginal peoples declined by 0.5 per cent, while total employment grew by 0.3 per cent.

With respect to promotions, Aboriginal peoples fared well in 1998. The number of promotions offered to that group increased by 15.4 per cent from the previous year. This increase was higher than the increase in the total number of employees promoted in the workforce (12.5 per cent).

Occupational Profile

Aboriginal peoples are concentrated in three occupational groups. Almost 60 per cent of Aboriginal

employees are in the clerical personnel, skilled crafts and trades and in semi-skilled manual work groups. The percentage of Aboriginal peoples working in clerical and skilled crafts and trades jobs decreased in 1998. On the other hand, considerably more were working as middle managers (6.1 per cent), professionals (6.7 per cent) and semiprofessionals and technicians (5.2 per cent).

The representation of Aboriginal peoples among middle managers and professionals also increased essentially. Other substantial increases were observed in senior managers, supervisors of crafts and trades workers, intermediate sales and service personnel and other manual workers. In the case of other manual workers, the increase only accentuated the high representation of Aboriginal peoples in this type of work.

Employment Opportunities by Occupational Group

The percentage of Aboriginal peoples hired in the workforce decreased in 1998. The occupational groups most affected by this decrease were skilled and other sales and service occupations and semi-skilled manual workers. On the other hand, the percentage of middle managers and other manual workers hired in 1998 increased.

More Aboriginal peoples were terminated than were hired in 8 of the 14 occupational groups. This caused the representation of the group to decrease in semiprofessionals, administrative and senior clerical, skilled sales, and in service personnel.

The percentage of Aboriginal peoples who were promoted in other manual, semi-skilled and skilled crafts and trades work largely exceeded their representation in these occupational groups in 1998. Most Aboriginal peoples who were recruited for management and supervisory jobs and into the administrative and senior clerical personnel group had been promoted from within.

Salaries

Aboriginal men earned 86.3 per cent of what all men earned in 1998 for full-time work. This figure represented an increase from 1997 when the percentage was 85.2 per cent. The estimated average salary of Aboriginal men was \$45,610 for full-time work. In comparison, Aboriginal women earned \$35,510, which was 87.6 per cent of what all women earned in the workforce. This percentage is lower than in 1997

when it was 87.9 per cent, indicating that the salary gap has widened.

Among the industrial sectors, the salary gap between Aboriginal employees and all other employees was narrowest in Communications. In that sector, the average salaries of male and female Aboriginal employees were more than 90 per cent of the average salaries of all men and women. In Transportation, the salary gap for Aboriginal men was slightly narrower than the overall gap for all sectors. The widest salary gap was observed in the Other sectors for both Aboriginal men and women.

Percentage of Aboriginal Peoples in the Workplace Who Earned \$50,000 or More, 1997 and 1998

	1997 (%)	1998 (%)
Aboriginal men	26.5	29.5
All men	40.1	41.6
Aboriginal women	8.1	9.8
All women	15.6	17.4

The percentage of Aboriginal men earning less than \$30,000 increased from 16.1 per cent in 1997 to 16.5 per cent in 1998. Of interest is that the percentage of Aboriginal men earning \$50,000 or more also increased significantly to 29.5 per cent in 1998 from 26.5 per cent in 1997. However, given that 41.6 per cent of all men were in that salary range in 1998, a wide gap still exists between the salaries of Aboriginal men and all men in the workforce.

As many as 36.7 per cent of Aboriginal women earned less than \$30,000 in 1998, which was considerably higher than the percentage of all women (25.2 per cent) in that salary range. Only 9.8 per cent of Aboriginal women earned \$50,000 or more, compared to 17.4 per cent for all women.

1.4 — Persons with Disabilities who received promotions

Representation

At 2.3 per cent, the representation of persons with disabilities was unchanged in 1998, especially in upper management and in skilled and other sales and service personnel, but it increased in some occupations, for instance, among supervisors of crafts and trades workers and other manual workers.

Sectoral Changes

Banking was the only sector in which the number of persons with disabilities decreased in 1998. Women with disabilities accounted for 85 per cent of the decrease, even though they represented only 66.7 per cent of persons with disabilities in this sector.

From 1989 to 1996, the representation of persons with disabilities was the highest in the Banking sector. It had reached 3.7 per cent in 1996. However, with four consecutive decreases in that sector, their representation dropped to 2.3 per cent in 1998 and, by that year, Banking had dropped to third place. The Other sectors had the highest representation for this group (2.9 per cent) in 1998, with Communications following at 2.4 per cent. Transportation – the only sector with a lower representation than Banking – was in fourth place, with only 1.8 per cent of its employees being persons with disabilities.

Regional Changes

The number of persons with disabilities increased considerably between 1997 and 1998 in Nova Scotia, Prince Edward Island, Alberta and British Columbia. However, these increases were almost entirely offset by decreases in Ontario, Quebec, New Brunswick and Manitoba. The representation of persons with disabilities also decreased in Newfoundland, the Yukon and the Northwest Territories, however, the numbers were not significant.

Changes in Employment Opportunities

The percentage of persons with disabilities among all people hired decreased from 1.0 per cent in 1997 to 0.9 per cent in 1998. This decrease was most pronounced in the Other sectors.

After having increased almost every year from 1988 to 1995, the percentage of persons with disabilities terminated started to decrease in 1997. In 1998, it was 2.0 per cent, but was still considerably higher than the percentage of people hired who were members of this group (0.9 per cent).

Employment of persons with disabilities declined by 5.7 per cent, which was the largest decline that any designated group in the workforce under the Act experienced in 1998. The employment of persons with disabilities dropped most in the Banking sector, where it declined by 8.6 per cent.

As was the case with hirings, the number of promotions that the group received increased in 1998, but not as rapidly as it did for all employees. Therefore, the percentage of people promoted who were persons with disabilities decreased. It was 1.8 per cent in 1998, compared to 1.9 per cent in 1997. From 1997 to 1998, the total number of employment opportunities (hirings and promotions) offered to persons with disabilities increased by 9.7 per cent, compared with an increase of 15.5 per cent for all employees.

Occupational Profile

Even though the number of persons with disabilities increased slightly in 1998, their concentration increased greatly in some occupational groups; namely, in the professionals, the supervisors of crafts and trades workers and the intermediate sales and service personnel categories. In the same year, the percentage of persons with disabilities working in skilled crafts and trades and clerical jobs decreased noticeably. These movements had only a very minor effect on the concentration of persons with disabilities in white collar jobs. In 1998, 37.2 per cent of persons with disabilities were in the clerical personnel category and approximately 20 per cent in middle management and professionals. Another 20 per cent were working in the blue collar jobs associated with skilled and semi-skilled manual work.

Persons with disabilities were most highly represented in 1998 among other manual workers, clerical personnel and supervisors of crafts and trades workers. However, the representation of persons with disabilities decreased in skilled and other sales and service personnel and in upper management.

In Transportation, the representation of persons with disabilities also increased significantly in 1998 among supervisors of clerical, sales and service personnel and clerical personnel, as well as among other manual workers. In the Other sectors, a large increase was also noted among semiprofessionals and technicians. In Banking, where the overall representation of the group decreased, persons with disabilities were less well represented in senior management and among supervisors of clerical workers. The representation of persons with disabilities also decreased in Communications. The occupational groups mostly affected by the decrease were senior managers, supervisors of crafts and trades workers and administrative and senior clerical personnel.

Employment Opportunities by Occupational Group

In 1998, fewer persons with disabilities were hired in management, but more in supervisory positions. The percentage of all people hired who were persons with disabilities also decreased in semiprofessionals and technicians and other sales and service personnel.

Employers terminated more persons with disabilities than they hired in all occupational groups except the intermediate sales and service personnel category in 1998. In occupational groups for which the net result was negative, the representation of persons with disabilities decreased mainly among other sales and service personnel, senior managers and supervisors of clerical, sales and service personnel.

The percentage of persons with disabilities promoted in the workforce under the Act decreased in 1998. The occupational groups in which the most noticeable decrease occurred were other manual workers, semiprofessionals and technicians and skilled crafts and trades workers.

Salaries

On average, in 1998, men with disabilities earned 95.7 per cent of what all men earned for full-time work. The average salary of men with disabilities was \$50,632 in that year, compared to \$52,883 for all men in the workforce. Although, the average salary of women with disabilities also represented 95.7 per cent of the average salary of all women, this figure was lower than the year before, when it had reached 95.9 per cent.

Average Salaries of Persons with Disabilities Working Full Time as a Percentage of Average Salaries of All employees, 1998

	Men with Disabilities (%)	Women with Disabilities (%)
Banking	99.7	96.2
Transportation	94.7	100.0
Communications	92.7	92.9
Other sectors	95.4	94.5
All Sectors	95.7	95.7

As in previous years, men with disabilities in Banking, earned salaries similar to those of all men in that sector. This situation was also true for women with disabilities in Transportation, where they earned salaries similar to those of all women.

The majority of men with disabilities earned between \$30,000 and \$49,999 (54.2 per cent). A higher percentage of all men in the workforce earned \$50,000 or more than did men with disabilities (41.6 per cent compared to 37.3 per cent).

A slightly higher percentage of women with disabilities than all women in the workforce earned less than \$30,000 in 1998, and 14.3 per cent of women with disabilities earned \$50,000 or more, compared to 17.4 per cent of all women.

1.5 — Members of Visible Minorities

The representation of members of visible minorities increased again in 1998. Employment grew for this group for the fourth consecutive year. The representation of the group increased the most in skilled and intermediate sales and service jobs and among semiprofessionals and technicians between 1997 and 1998. During the same period, the salary gap between members of visible minorities and all men and women in the workforce narrowed.

Representation

In 1998, the workforce under the Act included 58,000 members of visible minorities. Their representation increased again, from 9.7 per cent in 1997 to 9.9 per cent in 1998.

The representation of members of visible minorities in full-time work increased considerably in 1998 while it decreased in part-time and temporary work. The percentage of members of visible minorities working full time increased from 83.3 per cent in 1997 to 84.1 per cent in 1998 against 85.2 per cent of all employees in the workforce under the Act were working full time.

Sectoral Changes

In 1998, the representation of members of visible minorities increased in three of the four industrial sectors covered by the Act. The exception was the Other sectors.

Regional Changes

Representation of members of visible minorities increased in nine provinces and territories in 1998; the exceptions being Nova Scotia, Prince Edward Island and Newfoundland. The largest increases occurred in British Columbia, Saskatchewan and Manitoba. The representation of the group in British Columbia equalled the Ontario figure of 14.2 per cent.

Changes in Employment Opportunities

In 1998, 11.5 per cent of all employees hired in permanent jobs were members of visible minorities, against 12.3 per cent in 1997. However, this figure still exceeded the group's representation in permanent jobs (9.9 per cent).

Employment grew by 1.2 per cent for the group, compared with 0.3 per cent for the entire workforce. This was the highest growth observed among the designated groups in 1998. This growth was observed in two sectors: Transportation and Communications, mainly in British Columbia and Ontario.

Generally, more members of visible minorities were hired than were terminated in part-time work. The increase is attributed to the addition of new employers submitting reports and improved self-identification processes.

The total number of hirings and promotions offered to members of visible minorities increased by 12.1 per cent from the previous year, which was lower than the increase for the entire workforce (15.5 per cent).

Occupational Profile

In 1998, the number of members of visible minorities increased in skilled and intermediate sales and service personnel, followed by semiprofessionals and technicians. In the past, relatively few members of visible minorities have occupied jobs in these occupational groups. Rather, they have been concentrated in the clerical personnel and professionals category.

The representation of members of visible minorities was highest among administrative and senior clerical personnel and professionals.

Employment Opportunities by Occupational Group

The percentage of members of visible minorities hired in permanent jobs in skilled sales and service occupations and skilled crafts and trades increased greatly in 1998. On the other hand, the percentage in semi-skilled manual work, semiprofessionals and technicians, other sales and services personnel and senior managers was significantly lower in 1998.

The number of members of visible minorities increased in professionals, intermediate and other sales and service personnel, and semi-skilled manual workers.

With regard to promotions, the situation of members of visible minorities was good in almost all occupational groups, especially in two groups. Members of visible minorities received 17.7 per cent of promotions in semi-skilled manual work, while representing only 8.0 per cent of persons employed in that occupational group. A similar situation occurred in intermediate sales and service personnel where members of visible minorities received 15.6 per cent of all promotions, compared to their representation of 7.8 per cent.

Salaries

In 1998, the average salary of visible minority men working full time was \$48,927, or 92.5 per cent of what all men in the workforce earned for the same type of work. With an average salary of \$38,868 in the same year, visible minority women earned 95.9 per cent of what all women earned for full-time work. In both cases, the salary gap narrowed from the previous year, although it narrowed more substantially for visible minority men.

Average Salaries of Members of Visible Minorities Working Full Time as a Percentage of Average Salaries of All employees, by Sex, 1997 and 1998

	1997 (%)	1998 (%)
Visible minority men	91.4	92.5
Visible minority women	95.6	95.9

The widest salary gap between visible minority men and all men occurred in the Banking sector while the narrowest occurred in the Other sectors. In fact, in that sector, visible minority men earned more, on average, than all men did. The situation for visible minority women in this sector was not as favourable, however. The widest gap between their salary and the salary of all women occurred in the Other sectors. By contrast, visible minority women earned, on average, 97.2 per cent of what all women working in banks earned.

In 1998, 16.8 per cent of visible minority men earned less than \$30,000 compared to 10.1 per cent for all men in the workforce under the Act, the largest difference observed for men in any of the designated groups. The situation of men in this group was better

at the other end of the salary scale, where 36.0 per cent of visible minority men earned \$50,000 or more. As many as 41.6 per cent of all men were in the same salary range, but the difference between the two groups of men was smaller than it was in 1997.

In comparison to their male counterparts, visible minority women were generally doing better when compared to all female employees. For instance, 29.4 per cent of visible minority women earned \$30,000 or less compared to 25.2 per cent for all women, a difference of four percentage points. The difference was even smaller for those earning \$50,000 or more, 15.2 per cent of visible minority women were in that salary range compared to 17.4 per cent for all women.

*An Index of case studies and articles
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WHAT'S NEW IN WORKPLACE INNOVATIONS?

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The economic and social climate of the 1990s reflects the major recession experienced early in the decade and the cautious adjustments adopted during the long and tenuous recovery period. Pressures for changes in organizations began then and continue. Their effects continue to be far-reaching. Rapid and substantial restructuring of the economy continues to be influenced by factors such as international competition and globalization of capital, production and consumers. Rapid diffusion of technological advances and deregulation in transportation and communications have had major impacts at all organizational levels within those industries and beyond.

Innovative workplace practices have become a prominent issue for business, labour and government during the 1990s. There seems to be a shared view that organizational innovations have the potential to enhance business performance, to increase the quality of work and ultimately to contribute to aggregate productivity and income growth.

A major thrust of workplace innovations may have been employer-initiated and focused on enhancing flexibility in the organization. The imperative for flexibility has been competitiveness driven and primarily in response to changing markets and new technological opportunities.

However, in some cases, labour organizations have been the ones recognizing the need for change and driving the change process, keenly aware of the competitiveness issues and potential job losses in the absence of competitiveness. Quebec labour centrals have been at the forefront in their involvement in workplace change and in developing mechanisms for all parties to find how their interests can be addressed. Major industrial unions, such as the International Association of Machinists, have been at the forefront, developing their approach to workplace change in their delivery of joint training to implement high performance work organizations. The

United Steelworkers of America has been a proactive player in the field, having been on the early wave of restructuring both in Canada and the United States.

The Workplace Information Directorate of the Labour Program (Human Resources Development Canada) tracks, analyzes and reports on wage and non-wage provisions negotiated by large bargaining units (500 and more workers across Canada and 200 workers for federal jurisdiction). Over the last decade, a significant number of innovative practices have been reported in collective agreements and memoranda of agreement and in letters of understanding or intent.

Innovative practices have been classified into categories to facilitate their understanding and to further their analysis. These categories include innovations in the organization of work, in human resource management practices including compensation and working conditions, and in industrial relations, including the use of joint committees.

Since 1994, the percentage of collective agreements reporting at least one innovative practice in one of the areas of organization of work, compensation and working conditions, and industrial relations and the use of joint committees, has varied between 30 and 60 per cent of agreements. The highest levels of incentives were recorded in the period 1995 to 1997, where they represented 67, 60 and 50 per cent of agreements. This may be directly due to the fact that contracts signed during this time frame began negotiations during the jobless recovery of 1993-1994. The tenuous recovery may have emphasized the need for organizations to seek competitive advantage from a number of perspectives, including reviewing its organizational practices.

It has been observed that collective agreements which included innovative practices have maintained these practices or built upon them in subsequent collective agreements. In fact, some collective agreements have

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moved from a review and assessment mode in a given collective agreement to an implementation mode in a subsequent agreement. Moreover, some collective agreements have added a number of innovations, creating "bundles" of innovative practices. The most significant trends among innovative practices are the following:

- longer-term agreements (greater than 36 months);
- operational flexibility and mutual assistance;
- team based organization of work;
- delayering of the organization;
- reduction in the number of job classes;
- extensive use of labour-management committees;
- continuous bargaining and living agreements;
- modern operating agreement;
- variable or incentive pay programs; and
- flexible benefits.

Table 1

How Prevalent are Innovations?

One innovation	40-60%
Two innovations	30-40%
Three or more innovations	20-30%

A more detailed overview of specific innovative practices is presented in the following sections. Innovations will be presented within previously defined categories of practices: industrial relations, organization of work, human resources practices focusing on pay systems and joint labour-management committees.

Industrial Relations

Industrial relations clauses are those which alter relationships and processes between labour and management, including the bargaining process and the administration of a collective agreement. These innovations include problem-solving or interest-based approaches to bargaining, the inclusion of enabling clauses which allow local union and management representatives to alter the basic conditions of the agreement to respond to local conditions. This category also includes the concept of "living agreement" or "modern operating principles" to frame an overall philosophy in which work is carried out by management and union. Early negotiations and long-term agreements (greater than 36 months) were also included in this category because it was believed that such an approach and the resulting agreements

signaled a recognition on both parts of the need to be efficient in allocating resources to the bargaining process. Furthermore, in the context of a longer framework agreement, more emphasis could be devoted to making the agreement work. Some of these innovations are key underpinnings for development and implementation of effective workplace changes in a unionized environment.

The volume of collective bargaining tracked by the Labour Program has dropped during the decade mainly resulting from a high proportion, where almost one quarter of collective agreements currently have a duration of greater than 36 months, compared to a mere 1 to 2 per cent prior to 1993. This change has moved the average duration from 25.5 months in 1990 to 34.1 in 1999. Indeed, the average duration for long-term collective agreements (those more than 36 months) increased from 44.6 months in 1990 to 59.9 months in 1999.

Moreover, long-term agreements are most prevalent in Quebec, the Atlantic Provinces, the Prairies and British Columbia. The trend is also more concentrated in manufacturing in general and more specifically, in the pulp and paper industry.

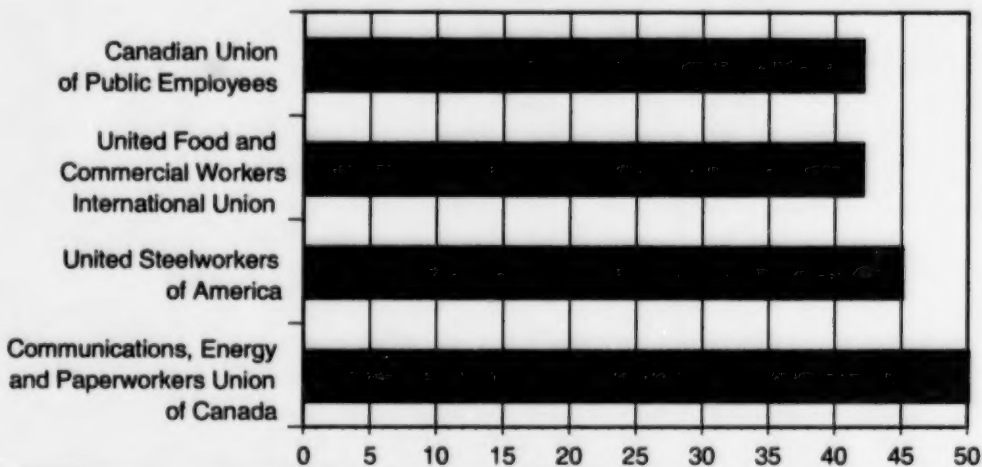
By union, the Communications, Energy and Paperworkers Union of Canada ratified the largest number of long-term agreements (50 with an average term of 67 months). The United Steelworkers of America ranked second with 45 agreements (average term of 51 months) and both the Canadian Union of Public Employees and the United Food and Commercial Workers International Union each signed 42 long-term agreements with an average term of 49 and 55 months respectively.

Bridgestone/Firestone Canada Inc. and the Fédération de la métallurgie de la Confédération des syndicats nationaux (CSN) – Québec used interest-based bargaining for the renewal of their collective agreement.

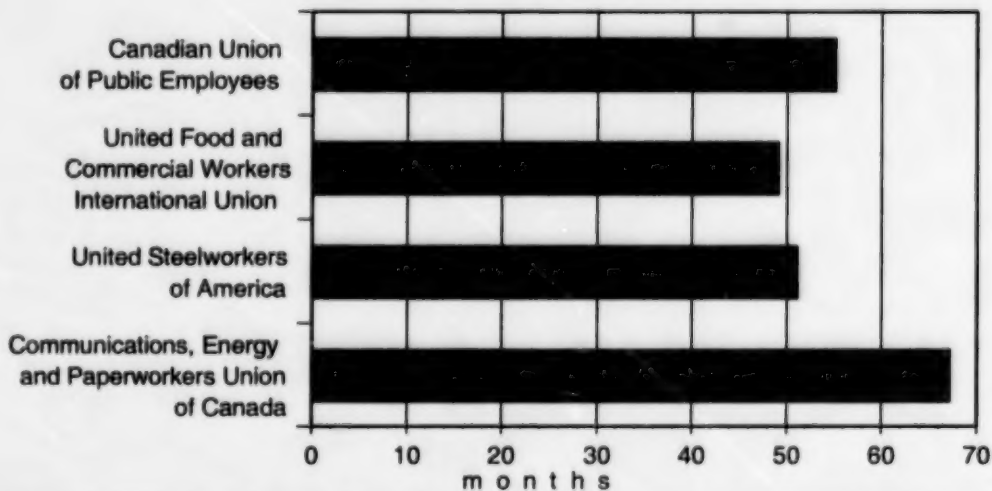
Organizational Restructuring and the Organization of Work

The *organization of work* category describes different ways of distributing work among workers. It includes organizational restructuring, flattening or delayering of the organization, the introduction of work teams, trades flexibility and mutual assistance. Restructuring often leads to broadening of job classifications and greater flexibility in assigning work among workers, including the use of job rotation and rotating leadership

Number of Agreements by Union, in 1999



Duration of Agreements by Union, in 1999



of teams. Contracting-out and contracting-in provisions influence the organization of work and the volume of work available to bargaining unit workers. Such clauses have a major impact on working conditions such as employment security and guaranteed hours of work.

Since the program's commencement of tracking organizational restructuring and changes in the organization of work, there were major changes

initiated in the mid 1990s that have remained in effect over the life of more than one collective agreement. Alternatively, innovative practices introduced by way of a letter of understanding or subsequent to a labour-management committee initiative have been included in recent collective agreements. Some of the more far-reaching changes have included the introduction of multi-skilling or flexibility and operator/maintenance assistance. In some cases, these changes have led to a reduction in the number of job classes.

*H.J. Heinz and
United Food and Commercial Workers Union*

A maintenance line operator is to be established within the following departments: can fill, general fill and cereal. The maintenance line manager will perform normal and capital maintenance work in his/her own department and replace a regular position on the line when required. In the first year of the agreement, up to 10 low seniority maintenance employees may be assigned to the new position, with the number increasing on an as required basis, by one each year, to a maximum of 13 in the fourth year of the agreement.

*Hershey Canada and
United Steelworkers of America*

The current Wrapping Room Department will be structured into three departments: Wrapping, Bagging and Glosettes. Rotation between line teams within these respective departments will be weekly for Production II and III classification.

On-line rotation within Wrapping, Bagging and Glosettes departments will be scheduled as equitably as possible every half hour within the line team, and line productivity will not be adversely affected by this rotation. For purposes of this article, productivity will be defined as "hot seat changeover". There will be no cross-department rotation.

*B.C. Gas and
International Brotherhood of Electrical Workers*

Employees may be rotated through classifications other than their own. These rotations may be initiated by either employer or employee. All job rotation requests will be handled and coordinated by the Training Department to allow and facilitate career development, work enrichment, and learning and training within the organization.

*Molson Breweries and
International Brotherhood of Teamsters*

Multi-skill premiums are used to encourage and foster multi-skilling in client service activities and for brewing operations employees. These premiums represent \$4 per day for the first group and \$0.50 per hour for the latter group.

Work is organized in teams for warehouse, shipping and garage operations and the team leader receives a team leader premium of \$15 per week.

*Camco and Communications, Energy
and Paperworkers Union of Canada*

Self-directed work teams were created where a team leader replaces the traditional foreman. The team concept will be introduced in one department as a pilot and will be assessed before being implemented on a wider scale. The establishment of teams are part of a program to establish a more flexible organization to increase employee accountability while improving quality and productivity.

*Saint John Shipbuilding Limited
and Canadian Auto Workers*

Article 16 on Flexibility introduces the concept in strong terms: It is vital to the company that waiting time and other inefficiencies be reduced to the minimum. To achieve those objectives, employees will cooperate and strive to progress and complete the company's work more efficiently, under the terms of this flexibility article. Employees, if capable, will be expected to perform those functions necessary to implement this article. The company will provide training to allow employees the opportunity to acquire the skills and abilities they need to perform the work safely.

Workers will assist each other and will operate flexibly with one another. Each employee is expected to work in a fully flexible manner to progress and complete his or her own work. Full flexibility means that an employee will undertake any task to minimize inefficiencies and maximize productivity as long as the employee possesses the necessary skill and ability and can do so safely. Flexibility issues are defined within a local, among craft unions and in the relationship between a local and craft unions.

*Weldwood of Canada Ltd., Hinton
Division and HI-ATHA Sawmill Division and
Communications, Energy and Paperworkers
Union of Canada*

A Letter of Understanding incorporates various flexible work practices designed to improve productivity, improve product quality, reduce down time and lower costs, while ensuring that the work is completed in a safe manner. The intent of the agreement is to provide that all employees will safely utilize all of their existing skills to maximize their productivity, and learn and use new skills to enhance their effectiveness. The employer and unions will meet to discuss a module based training program that will enhance the existing skills of employees. The employer will also design

and introduce new training programs to facilitate the implementation and evolution of flexible work practices. The employer agrees that no employee employed as of date of ratification, will lose his/her employment as a direct result of the implementation of flexible initiatives under this Letter of Understanding. In addition, no employee's regular job rate will be reduced when he/she is assigned to perform other duties as a result of workplace flexibility initiatives.

*City of Winnipeg and
Amalgamated Transit Union*

The City and the Amalgamated Transit Union agree to changes that allow for a more flexible approach to work associated with specific classifications in order to improve both overall productivity and individual job satisfaction. Such measures include eliminating the distinction between welders and blacksmiths by forming a single classification, expanding the scope of body repairman to include vehicle frame straightening and vehicle painting, and permitting appropriately trained helpers in Body Shop and Facilities Maintenance to undertake assignments assisting any of the tradespeople working in these two areas.

Innovations in Pay Systems

Innovations in pay systems include skills-based or knowledge-based pay plans, flexibility premiums, broadbanding, and reductions in the number of job classes.

Compensation innovations also include a variety of incentive plans and variable pay plans including individual and group performance and merit pay, gain-sharing, profit sharing and equity plans.

Labour organizations have been somewhat reluctant to accept variable pay or pay at risk. Variable pay was one of the issues that prompted the split of the Canadian component from the United Auto Workers. Canadians were not ready to accept variable pay in the mid 1980s.

The use of performance-based variable pay and incentive pay programs continues to gain momentum as a more effective way to recognize and reward employee performance. No longer restricted to senior management levels, these programs are designed to reward achievement of specific company and individual performance objectives. In variable pay plans, the size of the award varies between individuals and from performance period to performance period, based on

levels of achievement against pre-established company and individual performance targets.

A variable pay plan is likely to be successful when:

- it meets the original objective for which it was designed;
- it drives desired positive results relative to company culture and strategic business objectives; and,
- it addresses the specific needs, business philosophies and operating environments of the implementing organization.

Plan objectives must be clearly articulated: participants must know what is being rewarded and why. Behaviours encouraged by the plan must support company culture and values. Payouts must be related to actual business performance and results and must be clearly communicated and understood by participating employees. Participating employees must be involved in the design process and all elements of the plan must be regularly reviewed for effectiveness in meeting stated objectives and achieving desired results.

Team incentives, gain-sharing and project incentives were the most successful plans because they have the greatest line of sight between company objectives and individual responsibilities.

In a recent Conference Board of Canada report (Compensation Planning Outlook 2000), 85 per cent of responding organizations reported a variable pay plan. Response profile is mostly private sector and mostly non-unionized. Broad-based variable pay plans are being used to drive organizational objectives with all employee groups. In private sector organizations, annual incentive plans are reported in 75 per cent for professional employees, 69 per cent for technical employees, 67 per cent for clerical and support and service employees and 59 per cent for service and production employees. Variable pay is gaining ground in unionized environments where 28 per cent of employers surveyed expect to negotiate variable pay with their unions this year. According to the report, despite historical resistance to such efforts, labour peace is expected to continue.

An American Compensation Association survey reports that 63 per cent of its respondents currently use at least one type of variable pay plan and their results are slightly lower in the nonexempt and hourly employees where 74 per cent of organizations use

variable pay to award performance at management and exempt levels, 43 per cent at nonexempt salaried levels and 38 per cent for hourly employees.

Cash bonus/incentive plans were the most prevalent (present in 88 per cent of responding organizations), followed by lump-sum payments (27 per cent). Profit sharing plans account for 19 per cent of responding organizations and gain-sharing plans represent 10 per cent of respondents.

The majority of plans paid out in 1999 and targets for the coming year have been slightly increased in all employee groups. Payout values range from 28 per cent of base pay for executives to 7.7 per cent for professionals, 6.4 per cent for technical employees, 5.1 per cent for clerical and support, and 4.8 per cent for service and production employees.

The payouts for nonexecutives are reflected in the structure of gain-sharing and profit sharing plans described in collective agreements for unionized employees where the figures over the last few years have hovered around the four and five percent levels as target payouts. In collective agreements, payout targets are in the 4.0-6.0 per cent range.

*Molson Breweries (Montréal) and
International Brotherhood of Teamsters*

Team Leaders working in a team and overseeing team activities in warehouse, shipping and garage operations will receive a team leader premium of \$15 per week. A multi-skill premium of \$4 per day is paid to client service employees and \$0.50 per hour is paid to brewing operations employees.

*Algoma Steel Inc. and
United Steelworkers of America*

A profit sharing plan (previously based on excess cash flow) now defined at 2.0 per cent for profits up to \$40 million, at 4.0 per cent for profits over \$40 up to \$100 million and 6.0 per cent for profits greater than \$100 million.

The Joint Steering Committee was established to develop the principles of a gain-sharing plan based on the reduction of employee controllable costs.

*Entourage Technology Solutions and
Communications, Energy and Paperworkers
Union of Canada*

A profit sharing plan was implemented whereby profits will be shared equally between employees and

Entourage after a 10 per cent after tax return has been paid to a major investor and working ventures, Fonds de solidarité des travailleurs et travailleuses du Québec (Quebec solidarity fund). Under the program an employee can receive up to 1,000 units apportioned according to performance indicators: the division's operating profits, 350 units; profit margin per billable hour, 150 units; variable operationally specific criteria, 500 units. For each indicator, a threshold has been established to determine eligibility, performance targets for earning half the units and a ceiling for maximum earnings. Amount to be shared will be divided by the number of units earned for each of the performance indicators to determine the value of each unit. Each employee will receive 25 per cent of the amount generated by the program, as converted into an hourly equivalent and paid out in each pay period for the following year. At the end of the year, if the Company's financial performance exceeds the previous year, the 25 per cent equivalent will be paid out in a lump-sum and the additional 25 per cent will be paid out over the following year.

*Hudson Bay Mining and Smelting Co. and
United Steelworkers of America*

A gain-sharing plan provides for the payment to employees of a percentage of actual operating earnings less deductions for a negative cost/volume variance to approved budget and the impact of adjustments for inventory from any economic imperatives. Payout begins at a \$5-10 million gain where payout is approximately \$8 million with a reserve of \$530,000. At the 10-15 million savings, payout is at \$1.2 million and reserves are built up to \$800,000; at the \$15-20 million savings, payout is at \$1.8 million with reserves built up to \$1.2 million; for savings greater than \$20 million, payouts are at \$2.4 million and reserves are capped at \$1.6 million.

*Workers' Compensation Board of British Columbia
and Compensation Employees' Union*

An amount equal to 1.0 per cent of the straight-time annual payroll of the bargaining unit – including the cost of non-wage related benefits – is made available annually to employees for productivity improvements that fall within the scope of the plan. On April 1, 1999, gain-sharing is to be paid as a lump-sum based on planned productivity improvements realized during the first contract year. On April 1, 2000, gain-sharing will be paid as a lump-sum in respect of the second contract year and converted to a general increase that will provide the gain-sharing amounts due employees during succeeding years based on planned productivity

improvements realized during the first contract year and sustained during the second contract year.

*Lake Erie Steel Company Ltd.,
Division of Stelco Inc., (Stelco), and
United Steelworkers of America, Local 8782*

An income-sharing plan was introduced whereby payments of 42¢ per hour for each full percentage point by which the Adjusted Gross Margin per quarter exceeds 12.5 per cent; \$3.55 (\$3.30) maximum payment per hour is \$7,100 per year. The plan is designed to reward employees during periods of profitability. Payment is based on actual Lake Erie Works financial performance each quarter. Plan payouts are calculated according to a formula based on value-added and sales-volume variables. Initial amounts generated under this Plan are applied against an existing cost-of-living adjustment float.

*Canada Post and
Public Service Alliance of Canada*

In a recent settlement, a Corporate Team Incentive Plan has been introduced. This follows on an earlier Team Incentive Plan introduced in 1998 with the Association of Postal Officials of Canada whereby members of the association who received a performance rating of three and above for attaining targets leading to the long-term goals of the Canada Post could receive a maximum incentive potential of 3.0 per cent, based on meeting each of the corporate performance targets: financial performance, 1.2 per cent; service performance, 0.9 per cent; employee satisfaction, 0.9 per cent; and customer satisfaction, 0.9 per cent. Part-time employees are eligible for prorated incentive payments based on actual hours worked at straight time.

*TELUS Communications Inc. and
International Brotherhood of Electrical Workers*

All craft employees will participate in the TELUS Variable Compensation Plan based on the performance of their division. If the plan's goals are met, employees will receive a payment in the first quarter of the following year. The target payout is equal to 3.0 per cent of the employee's annual salary, using the maximum level of the salary range, excluding overtime, premiums and differential.

*Alberta Treasury Branches and
Alberta Union of Provincial Employees*

A variable pay plan that was developed and implemented outside of the collective bargaining process during the term of the previous agreement will continue. The plan, based on attainment of branch, regional and corporate goals, provides for an annual maximum lump-sum payment of 150 per cent of 7.5 per cent of annual salary if all goals are met. In the recent agreement, the percentage of annual salary was raised from 5.5 per cent to the current 7.5 per cent.

*Alcan Smelters and Chemicals and
Canadian Auto Workers Union*

Performance Incentive Bonus with a minimum lump-sum payment of 1.0 per cent of earning per year.

Labour-Management Committees

Perhaps one of the most dramatic changes observed in collective agreements has been the introduction of bilateral mechanisms such as *labour-management committees* to review, analyse, recommend, or implement courses of action. The composition and mandates of joint committees can be advisory or of an implementation nature. The issues dealt with can be a single issue or broad-based, operational and short-term in nature or very strategic and long-term perspective. Committees can be established at an organizational steering level, at a plant level, or at a department or operating level. Often there are joint committees established at a number of levels with differentiated responsibilities and initiatives.

Co-operative efforts in collective agreements can be broken down into levels or stages of cooperation. At the lowest level is a statement in an agreement that commits the parties to cooperate without a formal mechanism established for accomplishing any cooperation. The next stage consists of clauses in the agreement that provide for the establishment of committees as a means of reviewing issues of mutual concern that may arise. Movement further along the continuum introduces formal efforts at cooperation to address traditional issues. These issues were the subject of the earliest co-operative efforts and shared decision-making arrangements on issues such as health and safety, drug abuse, health care, and employment equity. Employment security issues have often been a source of contention in labour negotiations. Thus, clauses that address these issues

Table 2

Stages of Cooperation

Stage	Description	Prevalence
1	Intent to cooperation	15%
2	Establishment of committee as means of reviewing issues of mutual concern	15%
3	Dealing with traditional issues and some shared decision-making	30%
4	Addressing jointly issues of employment security, no lay-off, limitations on contracting-out	5%
5	Adding clauses involving employees in decisions regarding high performance work practices	15%
6	Co-operative efforts towards improvements in quality, productivity and consumer service	15%
7	Highest level: full partnership; involved in joint strategic decision-making	5.0%

by providing for employment security are another step forward on the cooperation continuum. The specific clauses address such issues as commitments not to lay off workers and limitations on contracting-out. The next stage on the continuum is the incorporation of clauses that involve employees in decisions regarding high performance work practices. These clauses deal with cooperative efforts towards improvements in quality, productivity and customer service. The agreements at the highest level and labeled full partnership involve joint strategic decision-making.

In the United States, almost half of collective agreements report cooperative provisions. In Canada, 67 per cent of agreements include a provision for joint labour-management committees.

Current Canadian data precludes such a detailed level of analysis at the present time. However, revisions to coding tools will provide such an analysis for collective agreements tracked as of the year 2000.

The following section provides examples of cooperative provisions in selected collective agreements.

*Hershey Canada and
United Steelworkers of America*

A labour-management training advisory committee was established to determine future training needs and methods in order to develop and maintain a "best in class" workforce capable of meeting business needs and to ensure empowerment of the individual to achieve his/her best.

*Algoma Steel Inc. and
United Steelworkers of America*

Labour-management committees of a decision-making and problem-solving nature have been set up throughout the corporation to ensure a greater level of participation and co-determination at all levels. A steering committee directs processes related to technological change, human resources policies and procedures, approving layoffs and new hires, employee communications, and creating, directing and setting policy for departmental steering committees which mirror the duties and responsibilities of the corporate level with additional responsibilities for developing a departmental business/training plans.

*B.C. Tel and
Telecommunications Workers Union*

A pay equity and employment equity labour-management committee to review employment equity issues in the workplace.

*B.C. Gas Utility Ltd. and
International Brotherhood of Electrical Workers*

A gain-sharing program Joint Task Force was struck. It includes three representatives from the International Brotherhood of Electrical Workers, the Office and Professional Employees International Union and management and exempt employees. The task force will explore the concept of gain-sharing, review a wide variety of options, recommend and assess advantages and disadvantages of options, and test recommended alternatives. Recommended alternatives need to be

consistent with company values of integrity, improvement and involvement, supportive of company goals and strategies, foster teamwork among individuals, departments and regions and provide opportunity for all employees to identify their own contribution.

B.C. Gas also established a joint consultative committee to promote the co-operative resolution of workplace issues, to anticipate, respond and adapt to changes in the employer's business, to discuss issues of in-house versus contracting-out, to foster the development of work-related skills, to promote workplace productivity. A "mutual gains" approach will be used to resolve and deal with issues but not as a substitute for regular grievance procedures.

*TELUS Communications Inc. and
International Brotherhood of Electrical Workers*

A labour-management committee was established to develop the terms of reference for a resolution process that will be used to address such contentious issues as the contingent workforce and changes in hours of operation.

Conclusion

In addition to statistical data available from the Collective Agreement Information System, Human Resources Development Canada also conducted a review of case studies that provide interesting observations on innovative workplace practices.

Workplace change can be driven by a variety of forces. The particular source does not necessarily determine whether the change process will be successful or not. It has become well established that a crisis of some sort often triggers workplace change. Most common are "competitive crises" that threaten the very existence of the organization. In other cases, the innovations may be predicated on a corporate culture and managerial ideology that emphasizes "people" values and workplace adaptability. Alternatively, changes may be made in response to morale, recruitment and retention concerns.

Senior management commitment is absolutely essential for implementing a sustainable change process. Sustained efforts at creating an innovative human resource climate are not possible without an unwavering belief on the part of senior personnel within

the organization. Supervisors and first-level managers are absolutely essential to the effectiveness and sustainability of a meaningful change process.

There are different interests among the stakeholders in terms of workplace change. One key is to acknowledge these differences and identify workable tradeoffs. Labour's concerns regarding organizational change obviously overlap with those of management but it is important to recognize that its priorities may include job security, training opportunities, protecting collective rights and other issues that may not be high on management's list. Change processes that do not recognize this diversity of interests are unlikely to succeed over the long term, as evidenced by innovations introduced unilaterally by management without labour consultation and involvement. In cases where innovations are introduced in "top-down" fashion, union locals may not be prepared to address workplace change initiatives which usually involves issues beyond their traditional experience and expertise. That frequently has left them with choosing between two difficult options. On the one hand, they can accept management initiatives and the associated risk that these might not be in the best interests of the membership; or they can oppose them and face the potential hazard of blocking changes that might be necessary to ensure the survival and competitiveness of the organization. Thus, unions need to develop their own agenda on workplace innovations, identifying the ingredients that will be necessary for the change to benefit the membership. At a minimum, they have to work through the issues and identify conditions that are necessary for their endorsement and participation in the process.

There are no magic recipes and successful innovative practices can look very different in different organizations. Fit is a critical consideration. What works will depend on the nature of the organization and the environment. There needs to be consistency between innovative work practices and other policies and practices within the organization.

The participation of "third parties" can have a significant influence in either direction on a change initiative. Third parties can include consultants, facilitators, mediators and industry groups. They can play a useful role in transmitting specialized expertise and knowledge into the organization; they can be effective in facilitating and mediating differing interests and helping the participants build the trust necessary to establish workable tradeoffs.

Information represents an important dimension at all stages of organizational innovation, from introduction through implementation to evaluation. The lack of information impedes successful innovation and its sustainability.

Expectations about workplace innovations must be realistic in terms of goals, timeframes, and the impact of unplanned events. There is general agreement that

organizational objectives concerning productivity, quality and overall performance can be positively influenced by workplace innovations designed to increase flexibility and employee contributions. There is less agreement on the outcomes for employees and their unions. It does appear that high performance type innovations can lead to investments in training, enhance job quality, and increase job satisfaction.

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SELECTION OF RECENT CHANGES IN CANADIAN LABOUR LAWS

Adopted Bills, Regulations and Other Statutory Instruments

Michel Gauvin

Labour Law Analysis, Strategic Policy and Partnerships

Labour Program, Human Resources Development Canada

Quebec*: An Act to amend the Act Respecting Labour Standards as Regards Differences in Treatment; Bill 67 Assented to December 20, 1999

The purpose of the Act to amend the *Act Respecting Labour Standards as Regards Differences in Treatment* is to prohibit, in an individual contract of employment, in a collective agreement under the *Labour Code*, in any other agreement relating to conditions of employment, including a Government regulation giving effect to it, or in a collective agreement decree, provisions which grant an employee covered by a labour standard under the *Act Respecting Labour Standards* or a regulation issued under it, a condition of employment less advantageous than that which is applicable to other employees performing the same tasks in the same establishment, when the difference is based solely on the date of hiring.

The conditions of employment to which the prohibition applies are those dealing with wages, hours of work, paid statutory holidays, annual vacations with pay, daily and weekly rest periods, leave for family events, notice of termination of employment or layoff, work certificates, as well as other standards such as those dealing with work uniform, premiums, allowances, indemnities, tools, showers, cloakrooms and rest areas.

However, a condition of employment based on seniority or years of service does not constitute a contravention of this prohibition even though seniority and years of service generally accrue from the date of hiring.

Also, the Act does not prohibit the establishment or maintenance, in regard to working conditions, of special arrangements to accommodate handicapped persons. This provision is not subjected to a time constraint. Nor does the Act prohibit, in regard to

conditions of employment it covers, temporary differences in treatment in cases of reclassification or demotion of an employee, or in cases of mergers of businesses or of internal reorganization in an enterprise.

Moreover, with respect to the application of the prohibition regarding differences in treatment, the Act stipulates that the wages and the rules relating to those wages are not to be taken into account when they are temporarily put in place to prevent an employee from being disadvantaged owing to the employee's integration into a new wage rate, a new wage scale, or a wage scale whose range has been modified, until this rate or scale reaches the employee's wages. For this rule to apply, two conditions must be met. Firstly, the wage rate or wage scale must be established to be applicable, subject to the situations referred to in the previous paragraph, to all employees performing the same tasks in the same establishment. Secondly, the difference between the wage applied to the employee and the wage rate or scale established to be applicable to all such employees is progressively eliminated within a reasonable period of time.

The prohibition regarding differences in treatment may thus be applied in different ways depending on the particular circumstances of the employees or of the businesses, or depending on the range of the differential to be eliminated. However, other than in cases of special arrangements to accommodate handicapped persons, the removal of differences in treatment is a mandatory result prescribed by the Act.

Since it is itself a labour standard, the prohibition regarding differences in treatment has the effects and characteristics of labour standards. Section 93 of the *Act Respecting Labour Standards*, provides in this regard that, unless permitted by legislation, labour

* This text was provided by the Quebec Department of Labour.

standards are of public order, and that any provision of a contract of employment, a collective agreement, or a collective agreement decree that contravenes a labour standard is null by right.

In regard to recourses, the *Act Respecting Labour Standards* already provides that an employee who believes that he/she is the victim of an infraction to a right conferred under this Act may file a written complaint to the Labour Standards Commission, that the Commission is required to investigate the matter and that it is even empowered, as needed, to initiate a judiciary review, as appropriate, on behalf of the employee; these provisions will also apply in the case of prohibited differences in treatment. The *Act Respecting Labour Standards* also provides that where the employee is covered by a collective agreement or a collective agreement decree, he/she must prove to the Commission that he/she has exhausted the recourses (the grievance process or other recourse) arising out of that agreement or decree. However, in regard to prohibited differences in treatment, employees covered by an agreement or decree will not be required to exhaust these other recourses; to avoid duplication of recourses, they will be required to show the Commission that they have not resorted to the recourses provided under the collective agreement or decree or that, if these recourses were used, they withdrew from them before a final decision was rendered.

The legislation provides that the Minister of Labour must report to the Government not later than June 30, 2004, in regard to the implementation of the amendments and on whether they should be continued or modified. The legislation also provides the report will be examined by a committee of the National Assembly.

The *Act to amend the Act Respecting Labour Standards as regards differences in treatment* came into force on January 1, 2000. However, the provisions on differences in treatment come into force on different dates, depending on the type of agreement or contract of employment. Thus, all collective agreements or arbitration awards coming into force after February 29, 2000 are required to be written so as to take into account the prohibition regarding differences in treatment. In the case of collective agreement decrees, the provisions of the Act will come into force on January 1, 2001. Finally, in the case of other types of agreements or contracts of employment, particularly the individual contracts of employment of non-unionized employees, the provisions of the Act will come in force as of July 1, 2000.

Quebec: Regulation to amend the Regulation respecting certain exemptions from the requirement of holding a competency certificate or an exemption issued by the Commission de la construction du Québec under the Act respecting labour relations, vocational training and manpower management in the construction industry; O.C. 1463-99, Quebec Official Gazette, Part 2, of December 29, 1999

Effective December 15, 1999, this amendment to the *Regulation* has increased the number of situations where persons domiciled in Ontario are exempt from the requirement of holding a competency certificate or an exemption issued by the Quebec Construction Commission. These are the persons who are covered by a bilateral intergovernmental agreement in respect of mutual recognition of qualifications, skills and work experience in trades and occupations in the construction industry and who meet, in accordance with such agreement, the requirements in respect of occupational health and safety training.

For additional information on recently adopted or proposed changes to Canadian Labour Laws, please visit the Labour Program Web site at:

<http://labour.hrdc-drhc.gc.ca/>
and click on "Canadian Labour Law Information".

YESTERDAY AND TODAY

Labour-Management Cooperation

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Fifty Years Ago...

In March 1950, the Labour Gazette reported an increase in the number of labour-management production committees. These committees, composed of representatives from management and labour, were formed in plants for the purpose of improving production efficiency by means of joint consultation. They also made recommendations on product quality, safety, tool conservation, plant housekeeping, employee welfare and many other items. The distribution of committees by regional breakdown was as follows: Atlantic, 52 or 8 per cent; Quebec, 128 or 20 per cent; Ontario, 295 or 46 per cent; the Prairies, 111 or 17 per cent; and British Columbia, 46 or 7 per cent. Many of these joint committees were set up with the assistance of the Labour-Management Co-operation Service of the Industrial Relations Branch. In fact, the assistance of field representatives of the Service was available to both management and trade unions in setting up such committees and in helping them after they had become established.

Over the last 50 years continued efforts have been made to foster constructive labour-management relations. This has been attained through legislative changes, voluntary compliance processes and training and education of both labour and management representatives in problem-solving techniques, in management issues, and in collaborative processes for resolving difficult problems.

Today...

The Labour-Management Services of the Federal Mediation and Conciliation Branch continues to offer proactive and preventive programs to help labour and management resolve their differences in constructive ways. Funding is available for joint labour-management projects that are aimed at improving relationships between the parties and improving methods of dealing with conflict. Initiatives have varied from joint studies to develop strategic orientation for future business directions to joint studies to embark on new ways of relating to each other. Also, there have been joint projects to introduce technological change and to enhance job skills of workers to better enable them to meet the challenges of evolving work. Preventive mediation services have focused on developing and improving the ways labour and management relate to each other during collective bargaining (interest-based bargaining or mutual gains bargaining) or in ways of dealing with specific conflicts such as accelerated grievance processes, final offer selection, or grievance mediation.

The pursuit of effective labour relations is a continuous process to which each of the parties (business, labour and government) contribute and the overall success of such initiatives is dependent upon each of the parties. This issue of the Workplace Gazette includes an article on "What's New in Workplace Innovations" and focuses specifically on stages of labour-management cooperation. Labour-management committees are part of the regularly featured article concerning innovative practices in collective agreements.